CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—TWENTY-SECOND PARLIAMENT

3-4 ELIZABETH II

BEING THE 97TH SESSION FOR THE PERIOD 1867-1955

VOLUME IV, 1955

COMPRISING THE PERIOD FROM THE FIFTH DAY OF MAY, 1955,
TO THE NINTH DAY OF JUNE, 1955, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

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QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955

HOUSE OF COMMONS

Thursday, May 5, 1955

The house met at 2.30 p.m.

HOUSE OF COMMONS

CONGRATULATIONS TO MR. SPEAKER ON ANNIVERSARY OF BIRTHDAY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, may I be permitted on behalf of all members of this house, and I am sure a great many outside of this house, to extend to Your Honour our congratulations and our very good wishes on the occasion of your birthday anniversary.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, while I know the applause requires no comment from this side to make it perfectly clear that it is unanimous, may I simply as a formality join with the Prime Minister in what is not a formality, and that is in the very warmest of good wishes to you on your birthday anniversary, and affectionate good wishes from all of us to your wife on this occasion.

Mr. Speaker: I hope I may be forgiven for condoning what is out of order. I do wish to thank the right hon. Prime Minister and the hon. Leader of the Opposition and all hon. members for their kind wishes on this occasion. My day started with a bang, that is an atomic blast in the Nevada desert, which is a reminder of the precariousness of this life and the fact that one must always strive to do his best. My wife and I feel grateful to all of you for your kindness at all times.

INDUSTRIAL RELATIONS

SECOND REPORT OF STANDING COMMITTEE

Mr. G. E. Nixon (Algoma West): I should like to present the second report of the standing committee on industrial relations. In this instance there will be no motion for concurrence.

QUESTIONS

VEGETABLE OILS—TARIFF COLLECTED

Mr. Yuill:

What is the amount of tariff collected, in 1954, on imported vegetable oils used in the making of margarine?

Mr. Dickey:

Vegetable oils used in the making of margarine are not recorded separately in import trade statistics. Customs duty collected, in 1954, on imports of vegetable oils for all purposes were as follows:

	Duty collected
Cocoanut oil, edible	$ 19,837
Cottonseed oil, edible	92,203
Olive oil, edible	43,711
Peanut oil, edible	11,825
Soya bean oil, edible	99,532
Castor oil	2,765
Cocoanut oil, not edible	2,947
Cottonseed oil, not edible	681,016
Palm oil and palm kernel oil	185,084
Peanut oil, not edible	18,381
Sesame seed oil	1,951
Sunflower seed oil	9,445
Other vegetable oils	495,488

T.C.A. ANNUAL PASSES—MEMBERS OF PARLIAMENT

Mr. Zaplitny:

1. Have any cabinet ministers and/or members of parliament received passes, on an annual basis, from Trans-Canada Air Lines in 1955?
2. If so, what are the names of such ministers and/or members?

Mr. Dickey:

1. Yes.

2. Right Hon. C. D. Howe, Minister of Trade and Commerce, Hon. Alcide Cote, Postmaster General, Hon. George Marler, Minister of Transport.

GRAIN SHIPPING ORDERS

Mr. Castleden:

1. What is the basis for the allocation of grain shipping orders to the various elevator companies, as now used by the Canadian wheat board?
2. When was the present system of order allocation put into operation?
3. How were the percentages for shipping orders as between elevator companies arrived at?

Mr. Dickey:

1. It is not the policy of the Canadian wheat board to disclose details of its current operations nor the competitive position of various elevator companies in their capacity as agents of the board.

2. See answer to No. 1.

3. See answer to No. 1.

ROYAL CANADIAN AIR FORCE—COMET AIRCRAFT

Mr. Dinsdale:

1. Does the Royal Canadian Air Force own two Comet jet liners?
2. What was the cost of these aircraft?

Questions

3. Are they now in service with the Royal Canadian Air Force?
4. If not, for what reason?
5. What future use is intended for these aircraft?

Mr. Campney:

1. Yes, two Comet 1A jet liners.

2. $1,544,000 each, excluding operating and engine spares.

3. No.

4. The R.C.A.F. removed its two Comets from service following the action of the British Overseas Airway Corporation in grounding its Comet fleet pending a full investigation into accidents.

5. The modification and return to service of the two Comet jet liners is now under consideration. If returned to service, the Comets will again be used, as simulated high-speed jet bombers, to give practice to the continental air defence system.

FIR LOGS, EXPORTS AND IMPORTS

Mr. Argue:

1. What was the quantity and value of fir logs exported to the United States in (a) 1953; (b) 1954?
2. What was the quantity and value of fir plywood imported from the United States in (a) 1953; (b) 1954?

Mr. Dickey:

1. (a) 7,383 M ft. $498,815; (b) 4,251 M ft. $330,687.

2. (a) and (b) The information is not available, as imports of fir plywood are not recorded separately in trade statistics.

The value of all plywood imported from the United States was as follows:—(quantity figures not available)

Calendar year 1953—$575,817.

Calendar year 1954—$178,485.

NATIONAL FILM BOARD

Mr. Fraser (Peterborough):

1. What are the names of the firms paid to act as distributors for the national film board during 1954, and the amount each firm paid to the national board for this concession?
2. What was the total cost of producing these films during 1954?

Mr. Pickersgill:

1. It cannot properly be said that firms are paid to act as distributors for the national film board, or that they pay the national film board for this concession. In accordance with the general practice of the motion picture industry, contracts for distribution with different firms are drawn up indicating the films which are being covered, the territory in which they may be distributed, the length of time for which the distribution rights obtain, and the financial terms of the arrangement.

[Mr. Dinsdale.]

These terms follow a general pattern but vary somewhat according to the nature of the films involved, the territory in which the distribution rights obtain, and other local considerations. A common form of contract provides that preliminary costs including cost of prints, which remain the property of the national film board, are first deducted from the distributor's gross receipts, and the balance of the receipts is then divided in some such ratio as follows: 70 per cent to N.F.B., 30 per cent to distributor; 65 per cent to N.F.B., 35 per cent to distributor; 60 per cent to N.F.B., 40 per cent to distributor; and in some instances, 50 per cent to N.F.B. and 50 per cent to distributor.

Another form of contract provides that the distributor pays the board a stipulated percentage of the gross receipts, costs of prints to be paid by the board out of its share.

Still another form of contract provides that the cost of prints be deducted from the gross receipts of the distributor but that the balance be not divided between the distributor and the board; in lieu of such a division, the distributor pays the board a stipulated sum or makes, in other words, a flat payment.

A list of the names of these distributors for 1954 was tabled in the house on May 2, 1955, in answer to a question from the hon. member for Peterborough.

It would be an embarrassment to the board to reveal the amounts earned by each of these firms under contract during 1954. In a competitive situation, such a disclosure would not be in accord with business practice in general, or with the motion picture business practice in particular.

The gross sum paid to the board by its distributors in 1954 was $150,246.12. No figure is available for the gross amount earned by the distributors, but if the average ratio were 60 per cent to N.F.B. and 40 per cent to distributors, the sum would be $100,164.

2. Films distributed during 1954 under these contracts were produced at any time between 1945 and 1954. Films produced in 1954 account for only a small part of the gross revenue indicated in the answer to question 1, and many of such films may well be in distribution under contract for periods up to nine or ten years. Furthermore, many films produced in 1954, particularly in the last quarter of the year, have not yet been placed in distribution. Also, it is not possible to know yet which of all the films produced in 1954 will ultimately be given theatrical distribution. The board therefore cannot yet give figures for the cost of producing films in 1954 destined for commercial distribution.

ATOMIC RADIATION—CUMULATIVE EFFECTS

Mr. Castleden:

What are the conclusions of the officials of the Department of External Affairs regarding whether or not there are cumulative effects on human beings from recurring exposures to atomic radiation?

Mr. Pearson: The Department of External Affairs has nothing to add to the statement made on this subject by the Minister of National Health and Welfare on April 4 (*Hansard*, pages 2652-54.)

QUESTIONS PASSED AS ORDERS FOR RETURNS

ARMED FORCES—MOVING OF EFFECTS

Mr. Hamilton (York West):

What amounts were paid out by the Department of National Defence to moving contractors in 1954, in the province of Ontario, for moving the personal effects of officers and enlisted men of the three services: (a) from Ontario to points outside of Ontario; (b) from points outside of Ontario into Ontario?

Mr. Campney: Mr. Speaker, I have spoken to the hon. member for York West (Mr. Hamilton) and have pointed out to him that in view of the way in which statistics are kept in our department, I cannot answer his question as it is presently worded. If he will be satisfied with the names and the amounts paid to moving contractors in Ontario to whom we have made payments in the fiscal year 1954-55, this question could be so amended and made an order for return.

Mr. Speaker: Order for return.

CANSO CAUSEWAY—CONDITIONS IN STRAIT

Mr. Kirk (Antigonish-Guysborough):

1. During the past winter did the government conduct studies of the effect of the Canso causeway on ice conditions, tides and climate in the strait of Canso?
2. If so, what did such studies reveal?

DIESEL FUELS, RAILWAYS—DRAWBACK

Mr. Johnston (Bow River):

Do the railways get any assistance whatever from the federal government by way of subsidy, drawback, etc., on diesel fuels when used by the railways?

CIVIL DEFENCE COLLEGE

Mr. Dinsdale:

1. How many persons to date have taken courses at the civil defence college at Arnprior?
2. What courses are offered there, and how many persons have been trained in each course?
3. How are these trainees distributed by provinces and cities?
4. What has been the total cost of these courses?
5. How is this cost distributed between federal government, provincial governments, and municipalities?

STORMS

SASKATCHEWAN—REQUEST FOR FEDERAL ASSISTANCE

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the colossal damage sustained by the residents of the cities of Prince Albert and Saskatoon, as well as adjacent towns and rural areas, in the catastrophe which struck there within the last 48 hours, will the government give consideration to granting compensation and assistance to those people who have suffered serious damage and loss, as was done in the case of "Hurricane Hazel" and one or two other cases?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I received notice from the hon. member for Yorkton (Mr. Castleden) of a similar question. I am glad of this opportunity to say what I am sure is the fact, that all hon. members of this house sympathize with those who have suffered storm and flood damage in recent days in the western provinces. Of course the hon. gentleman knows that the primary responsibility is local and provincial, but when there is damage of such extent that it can fairly be considered as a national disaster and representations are made by the provincial government to the federal government, those representations receive the most sympathetic consideration. There is at all times an endeavour to mete out the same treatment to Canadians in all parts of Canada, as has been done whenever in the past there have been things that amounted to national disasters.

We have not yet any accurate information as to the extent of the damage that has been caused by this unusual storm in that locality. I am sure the accurate information will be available shortly; and if the government of Saskatchewan feel that its extent does bring it into the category of what should be considered a national disaster, I am sure it will be brought to our notice and will receive the same sympathetic consideration that has been extended whenever there has been anything that amounted to a national disaster.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, if I might ask a supplementary question of the Prime Minister, is it a fact that in the other cases where national disasters have been declared to exist, a request was made in each case by the provincial government? Second, if the loss is as estimated, namely in excess of $50 million, is that not far above the extent of

the damage in previous occurrences which have been declared of national disaster proportions?

Mr. St. Laurent: I sincerely hope the property damage that has been suffered in those localities does not amount to $50 million.

Mr. Diefenbaker: That is the estimate in the press.

Mr. St. Laurent: Yes, but our experience has been that there is always a first estimate of the extent of the damage that is far in excess of what it proves to be when an investigation is made and the figures of the actual damage suffered in each locality are added up. There has been participation in assistance by the federal government in cases where the actual damage was much less than $50 million.

Now, as to the first part of the hon. gentleman's question, to my knowledge we have always dealt with the provincial governments in working out federal participation in the measures to alleviate damages resulting from a national disaster within a province.

[*Later:*]

On the orders of the day:

Mr. W. G. Weir (Portage-Neepawa): May I ask the Prime Minister a question supplementary to that asked by the hon. member for Prince Albert. In the event that damage from floods and other circumstances arising in the province of Manitoba is beyond the capacity of the local people to meet, would the same type of consideration be given as has been suggested by the hon. member for Prince Albert?

Right Hon. L. S. St. Laurent (Prime Minister): Of course the same type of consideration will be given to Canadians in any part of Canada, but I do not think there has been any case where the interference with the growing of future crops has entered into the calculation of the physical damage that was taken into account in arranging for assistance to those suffering the damage.

NATIONAL REVENUE

APPOINTMENT OF CUSTOMS OFFICER AT PORT CHURCHILL

On the orders of the day:

Mr. G. D. Weaver (Churchill): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. Has a decision yet been made as to whether the Department of National Revenue will be able to make arrangements for a customs port at Churchill for the 1955 season?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, the Department of National Revenue will be prepared to provide complete customs clearance facilities at Churchill, Manitoba, during the 1955 navigation season, if assurances can be given by a substantial number of importers, boards of trade, or other interested associations that they will take advantage of the service and will see that customs brokers and forwarding agents are established at the port to facilitate passage of documents through customs and the movement of the goods after clearance to destination.

TRADE

FLOUR—REQUEST FOR STATEMENT ON PRICE DIFFERENTIAL

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Acting Minister of Trade and Commerce. Has the minister discussed with the minister of trade and industry for Jamaica his statement that Canadian flour can be purchased in Liverpool and Trinidad at from 20 to 27 cents less per hundred pound bag than in Jamaica? If this situation prevails, can steps be taken to bring these prices into line?

Hon. Robert H. Winters (Acting Minister of Trade and Commerce): The minister of trade and industry for Jamaica did discuss this question with me and others while he was here during the present week. I understand there is some differential in the price of flour as related to certain specific brands. The government of Jamaica and the millers are in communication with each other, and officials of the Department of Trade and Commerce have also been in touch with the millers. We hope some satisfactory arrangement can be worked out.

POSTAL SERVICE

WHALLEY, B.C.—CHANGE IN NAME OF SUB-POST OFFICE—LETTER CARRIER SERVICE

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I should like to address a question to the parliamentary assistant to the Postmaster General. In view of the representations made by the Surrey council, the North Surrey board of trade and the junior chambers of commerce in that region, when does the department expect to change the name of the sub-post office in that area to North Surrey, and when does it intend to put the letter carrier service into operation?

Mr. T. A. M. Kirk (Parliamentary Assistant to the Postmaster General): Mr. Speaker, I

presume my hon. friend has in mind the question of the name of the postal station now known as Whalley. The department is prepared to go ahead with the change of name to North Surrey, presuming that this is the desire of the patrons.

As regards letter carrier delivery, all the details have been prepared and the department is ready to go ahead as soon as the question of the name is decided upon. This matter has been recently brought to the attention of the Acting Postmaster General, and he has given instructions to proceed with the letter carrier delivery and the change of the name to North Surrey. This, of course, is assuming that all conditions governing letter carrier delivery are complied with.

FERRY SERVICE

YARMOUTH-BAR HARBOR—LAUNCHING DATE OF FERRY "BLUENOSE"

On the orders of the day:

Mr. T. A. M. Kirk (Shelburne-Yarmouth-Clare): May I direct a question to the Minister of Transport? With reference to the ferry *Bluenose* which is to operate this summer between Yarmouth, Nova Scotia, and Bar Harbor, Maine, is the minister now in a position to tell us the launching date?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, in answer to that question I may say that May 25 has been fixed tentatively for the date of launching of the *Bluenose*.

EXTERNAL AFFAIRS

INDO-CHINA—MEASURES TAKEN TO PROTECT CANADIAN PERSONNEL

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): Yesterday the hon. member for Oxford (Mr. Nesbitt) asked a question regarding the protection of personnel in Indo-China. The cease-fire agreements for Viet Nam, Cambodia and Laos all contain clauses requiring that the commanders of the forces of the parties to the agreements "shall provide full protection... to the international commission and its inspection teams in the performance of their functions". I know of no case where a Canadian member of our delegations to the three international commissions or a Canadian member of any of the inspection teams working under the commissions has suffered either personal indignities or violence because the protection called for in the agreements had been inadequate.

CANSO CAUSEWAY

ANNOUNCEMENT OF OPENING FOR HIGHWAY TRAFFIC

On the orders of the day:

Mr. A. J. MacEachen (Inverness-Richmond): I should like to direct a question to the Minister of Transport. In view of the destruction by fire of the ferry boat *John Cabot*, is the minister in a position to advise that the Canso causeway will be opened for highway traffic in the near future?

Hon. George C. Marler (Minister of Transport): The provincial government is responsible for the surfacing and maintenance of the part of the causeway to be used by highway traffic. It has proposed to us that this part of the causeway be opened on May 20, and we have concurred in this proposal.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Wednesday, May 4, consideration of the motion of Hon. W. E. Harris (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell.

Mr. John B. Hamilton (York West): Mr. Speaker, yesterday while I listened to this debate and watched my chance of taking part in it tick away with the clock, instead of being disappointed I think that I was relieved that I would not have the opportunity, by mediocre performance, to detract from the position my party had achieved through the outstanding efforts of my leader.

An hon. Member: Sour apples.

Mr. Hamilton (York West): A lot of apples are passed here, but they are usually on the other side.

An hon. Member: More applesauce than apples.

Mr. Hamilton (York West): If I may borrow an expression of the hon. member for Quebec West (Mr. Dufresne), instead of being dangerously ill I know that hon. members to your right, Mr. Speaker, have learned to their sorrow that the Leader of the Opposition (Mr. Drew) is dangerously well.

I should like to read a few of his remarks as recorded in *Hansard* of yesterday at page 3445:

> We have heard already during the course of this debate that the government has confidence in the country, leaving the implication that others have not. Mr. Speaker, we have confidence in this country, and we have confidence that we have to encourage the development of the limitless

resources we possess, and for the production and fabrication of which we have such enormous resources of industrial energy in the form of hydroelectric power, coal, oil, gas, uranium—all these things. We say that, with the development of these, there is full employment for all here and full employment for millions more in the years immediately ahead . . .

All this calls for action. The Minister of Finance gave a rather schoolmasterly bit of advice to the manufacturers. He told them that they had better pull up their socks and meet the situation.

If I may, at that point in his remarks I should like to interject that the Minister of Finance (Mr. Harris) was probably echoing the words of the hon. member for Spadina (Mr. Croll) when he said that the manufacturers needed a kick in the pants. Yet that is most difficult to understand, when the hon. member for Essex West (Mr. Brown) goes to the trouble of sending us a circular to indicate that the Chrysler Corporation are spending $50 million to double their facilities in this country. I think it is about time we had some unanimity of opinion between the Liberals to your left, Mr. Speaker, and the Liberals to your right. The Leader of the Opposition then went on to say this:

This demands more than action by the manufacturers. It demands action by everyone. It demands action by this government . . .

I am ending my quotation at the third line of the first column on page 3446 of *Hansard*.

Although we have wide latitude in this debate, I should like to limit my remarks to that particular problem. In the first speech I made in this house I indicated that on occasion, in order to express my views, I might even find it necessary to use such unmentionable terms as free enterprise, tariffs and protection. From my short experience I think I can say that these terms are still politically unmentionable. There is such great reluctance on the part of the government to face up to these terms that I think we can safely say they are fiddling while Rome is burning.

If I may draw an analogy from a Bible story, if the treasury benches are the Ananias in this problem, if they are guilty of a practised avoidance of their responsibility to industry, then all those who sit idly by in their shadow are the Sapphira because they are guilty of the consenting mind. They are not lifting one finger to prevent the crime. For those who represent our great industrial ridings there must come a day of reckoning.

I have said as well that we do not recommend high tariffs, but we ask for an end to the naïve program of binding us under trade agreements to nations which are not playing under the same rules. First, our two biggest customers allow our goods entry or refuse entry as they see fit, regardless of the GATT agreements. There should not be any surprise on our part when we hear about voluntary reductions in imports of Canadian oil and gas by the United States. This contempt of agreements has been going on for some time and is just as effective a barrier to our trade as a complete embargo on our goods by legislation. If there are surpluses in the United States, we are told to go and peddle our wares elsewhere. If there is a shortage of foreign exchange in Britain, we are told to do the same thing.

I think industry has good reason to expect this government to stand up to situations of this kind. We possess raw materials here of vital importance to all nations. It is time this government sat around the trading table in a realistic manner and stood up to our responsibilities to Canadian industries. There is no reason why a big stick should impress us in trade negotiations. Without our raw materials such as aluminum, nickel, asbestos, uranium, wood pulp, etc., the high standards of living reached in many countries could not have been achieved. Let us bargain from strength, not from weakness, and our deteriorating export situation can be rectified.

In the second place, we are, of course, not playing under the same rules in connection with our imports as well. In the last month I have had drawn to my attention by industries in my own constituency at least two or three problems of vital importance. I think I should warn the government that it is no longer a case of a few industrialists who are complaining about unfair competition, those people who heretofore could be told, "Go away and don't bother us". There is a major awakening on the part of organized labour as well. In each instance with which I have had dealings in connection with these problems, the representatives of labour have come along with representatives of management to see what can be done to work out the problem.

Perhaps I might be permitted to illustrate my point that we are not playing under the same rules in so far as competition is concerned by imports from foreign countries. Our tariff structure may be quite adequate, but new formulas must be devised for its interpretation or that tariff structure will not perform the function for which it was designed. As an illustration, I am informed that there is no particular tariff provision covering the import of thermos bottles, and that they are assessed on the basis of whether steel or glass is their major component. If it is steel, under item 446a we have the three classifications: British preferential, 10 per cent; most favoured nation, 22½ per cent; all others,

35 per cent. If it is glass, under section 326(i) we have the same three classifications: British preferential, 15 per cent; most favoured nation, 20 per cent; all others, 32½ per cent. By far the greater number of the nations with whom we now trade are classified under the most favoured nation part of the tariff structure, and include nearly all countries other than those behind the iron curtain.

Mr. McCann: What was the commodity?

Mr. Hamilton (York West): Thermos bottles. My understanding of the usual method of assessing values for duty purposes, and I think this is the crux of the whole problem, is on the basis of the sale of an equivalent quantity; that it cannot be calculated on the price of the last 50,000 on a 500,000 run but an equivalent quantity at an equivalent level of business in the country of origin. The section dealing with the problem is found in chapter 58 of the Revised Statutes of Canada, 1952, being section 35.

But—and it is a very large "but"—there is absolutely no provision for a difference in (1) plant and equipment costs, (2) labour charges and (3) government taxes between the country of origin and our own country. As a matter of fact, if in a country under a controlled economy the government wishes to have goods sold at less than cost on its domestic market, then since 1948 that must be the price used for duty valuation. Dumping legislation does not apply unless the goods are being sold in their home market at prices in excess of their export price. Canadian industry and, in the result, Canadian labour, receive absolutely no protection in so far as our Customs Act is concerned in connection with the production of goods in countries where standards of living are far below our own. I might add that Canadian industry and labour apparently receive no protection from competition from countries where the standards of business ethics are also much lower than ours.

So that I may not be accused of speaking without proof, I should like to illustrate my point. I wish all hon. member could be close enough to me to see the two thermos bottles I have here. I think it can be readily seen and should be recorded in *Hansard* that they are packaged in almost identical fashion. The format, the colouring, the illustrations as to their use, the instructions which go with them even to the headings such as "electronically tested", "for best results", "to clean", "caution", are the same except that in the case of this product "caution" is spelled "c-u-t-i-o-n" and "little" is spelled "l-i-t-t-e-r". As to the bottles themselves, the design and colouring are the same, even to the design mark on the bottom along with the name.

This thermos bottle is produced by Aladdin Industries in my constituency. This other thermos bottle is manufactured in Japan. The price to the wholesale trade of the Canadian bottle is $1.28. The price to the wholesale trade of the Japanese bottle is 70 cents. The price to the purchaser of the Canadian bottle is $2.35. The price to the purchaser of the Japanese bottle is $1.49. This is what I mean when I say that there appears to be no equality in business ethics as far as the competition that our manufacturers must meet in our domestic market is concerned.

This topic came up for discussion a year ago, at the time of the ratification of the trade treaty with Japan. I should like to read some of the words of the Minister of Trade and Commerce (Mr. Howe), as found at page 3515 of *Hansard* of March 31, 1954. He said:

> In a supplementary exchange of notes which is appended to the agreement Canada reserves the right to establish special values for duty on any imports entering Canada in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers of like or directly competitive products. In the event of such special values being applied, and in determining the level at which such values should be applied, Canada will take into account the prices of like or directly competitive products imported from other countries.

At page 3516 he had this to say:

> The agreement also provided for non-discrimination in state trading practices. Both countries undertake to conform to internationally accepted fair trade practices, particularly in matters pertaining to trade marks, marks of origin and rights under patents. They also undertake to co-operate in the prevention of any practices which might prejudicially affect their mutual trade and to accord sympathetic consideration to any representations that the other country may make.

In the debate on the motion to ratify the agreement the Minister of Trade and Commerce had this to say, as found at page 4647 of *Hansard* of May 12, 1954:

> It has appeared for some time to be in our national interest to work out a mutually advantageous trade agreement with Japan.

At page 4648 he went on to say:

> In negotiating this new agreement, we set out to obtain and consolidate advantages in the Japanese market, and at the same time to safeguard in a reasonable way the position of our own Canadian manufacturers in our home market.

At page 4649 he said:

> In case injurious competition should materialize for particular Canadian industries out of such imports, careful safeguards have been provided in the agreement.

I ask hon. members, is this any evidence of careful safeguards? Here is a product manufactured in a Canadian plant by a company which introduced the manufacture of this product in Canada, a company which employs

80 to 90 Canadians, a product which is 90 per cent Canadian. Here is a substitute product manufactured under conditions under which Canadian workmen would in no circumstances work. Here is a product which on the shelf of your hardware merchant is almost indistinguishable from the Canadian product. When my leader said there was a responsibility on the government to do something for the manufacturing industry in Canada and to create jobs, I am sure he was referring to just such an example as this. When we talk about pulling up the socks, when we talk about a kick in the pants, I believe the government should consider if it is not about time they gave themselves the same treatment.

Mr. Balcom: I did not know the hon. member had completed his remarks, Mr. Speaker. I wonder if I could ask him a question?

Mr. Hamilton (York West): Yes.

Mr. Balcom: Are those thermos bottles?

Mr. Hamilton (York West): Yes.

Mr. Balcom: Is the name "thermos" on them?

Mr. Hamilton (York West): They are vacuum bottles.

Mr. Balcom: I think that point should be cleared up. These are vacuum bottles, not thermos bottles.

Mr. Hamilton (York West): We will be glad to let you see them. We will be glad to set up shop in the opposition lobby, if you would like to examine them.

Mr. Balcom: I think a correction should be made, and it should be noted that these are not thermos bottles as the speaker said they were. These are vacuum bottles.

An hon. Member: What difference does it make?

Mr. Balcom: I have not seen any vacuum bottle that compares with the thermos bottle. These are both substitutes for thermos bottles. You will find, I think, that the Japanese product is just as efficient as the other make.

Mr. Hees: So what is the question?

Mr. Gauthier (Portneuf): Why don't you listen?

Mr. Balcom: I wanted to ask if they were thermos bottles, and I find they are not.

Mr. Hees: He said they were vacuum bottles.

Mr. A. W. A. White (Waterloo South): In rising to take part in this debate, Mr. Speaker, I should like to offer my congratulations to the Minister of Finance on this, his first budget. It is a realistic one, and has received widespread approval throughout Canada.

The post-war years from 1945 to 1953 brought to Canada, under a Liberal administration, a period of unprecedented prosperity during which our gross national product grew to $24·5 billion. During the same period the government followed the wise and prudent policy of creating surpluses with which our national debt was reduced by $2·25 billion, with a corresponding reduction in debt carrying charges. This policy undoubtedly has met with the approval of the Canadian people. In my opinion it was good housekeeping, in spite of the fact that many hon. members opposite criticized this policy of deliberately creating surpluses during this period of unprecedented prosperity.

The present budget will, I believe, give our economy a shot in the arm by releasing more purchasing power into the stream of our economy through a reduction in personal and corporation income taxes. Undoubtedly the 5 per cent reduction in the sales tax on cars and the removal of the sales tax on tires and tubes will give a new impetus to those industries, which will have a beneficial effect on our economy.

The budget papers show that the number of persons without jobs and seeking work rose from an average of 137,000 in 1953 to 232,000 in 1954. This trend continued in 1955, and in February of this year the number of persons without jobs and seeking employment was 379,000 or 64,000 more than in February, 1954. Since a large percentage of these unemployed persons are industrial workers, any policy which will put more purchasing power in the hands of the Canadian people is a step in the right direction, even though it is brought about by deficit financing.

However, in my opinion this is not the entire solution to the slow-down that has taken place in many of our secondary industries during the past year. The fact that the purchasing power of the Canadian people has been increased does not necessarily mean that this increased purchasing power will be used to buy Canadian-made goods when imported goods can be bought at lower prices. The effect of competition with manufactured goods imported from the United Kingdom, Japan, Hong Kong, and the countries of continental Europe, where wages are very much lower than those paid in Canada, has been felt for some time by many of our own industries. Since many of our secondary industries are almost entirely restricted to our domestic market, the loss of this market could have a serious effect on our economy.

The fact that many of our secondary industries are losing their home market is, in my opinion, borne out by the fact that while consumer expenditures for goods and services increased from $15,100 million in 1953 to $15,600 million in 1954, or slightly more than 3 per cent, there is still a slow-down in industrial employment in many branches of our secondary industries. Last year I attempted to draw the attention of this house to the dangerous position of the textile industry in Canada, particularly the wool cloth branch. The former minister of finance directed the tariff board to conduct an inquiry into tariff item 554b, which reads as follows:

> Woven fabrics composed wholly or in part of yarns of wool or hair shall be subject to a specific duty of 20 per cent and an ad valorem duty of 12 cents per pound, but the sum of these two duties imposed by this item on imports under the British preferential tariff shall not be in excess of 50 cents per pound.

The tariff board conducted the inquiry as directed by the minister, and the report was tabled in this house earlier this year. The establishment of a maximum British preferential duty first appeared in 1935, at which time the duty under this item was fixed at 27·5 per cent specific duty and 17 cents per pound ad valorem, with a 65 cents per pound maximum. The recommendation that the sum of the two duties imposed under the British preferential tariff should not exceed a fixed maximum was the result of the tariff board finding at that time that cloths both woollen and worsted, selling in England at a price of $2 or more per pound, were not within the range of economical Canadian manufacture. In other words the tariff board recommended that a ceiling be placed on the duty for high priced specialty fabrics such as those purchased by custom tailors, and in this way restrict Canadian production to a range in which it was most efficient.

This tariff item was changed in 1937 and again in 1948, when the present rates of duty were established. In 1935 the prices of raw materials and wages were very low, and imports under this item averaged only $1.02 per pound. Therefore the duties imposed under this tariff were able to function as they were intended to do; but in 1953, due to the increase in the prices of raw materials and conversion costs, the average price of wool cloth imports was $3.14 per pound; consequently the maximum duty could no longer function as it was intended. Instead of applying to only a special range of cloth which it was considered uneconomical to manufacture in Canada it has now actually replaced the specific and ad valorem duties, with the result that virtually all woollen and worsted cloths imported under this item are subject to a duty of only 50 cents per pound.

That this is true is borne out by the tariff board at page 43 of their report, where they state that the 50 cent maximum had become the governing rate on a large proportion of imports of British wool cloth, in effect a specific duty. That this was the main purpose of the inquiry is established by the letter of the former minister of finance to the tariff board when he directed the hearing to be held. In it he said:

> I have received numerous representations from the woollen industry in Canada to the effect that as a result of price changes the 50 cent maximum duty prescribed under the British preferential rate of tariff item 554b has become anomalous and unrealistic and that, as a consequence, the industry has suffered and is suffering serious injury. Indeed it has been claimed that the continued existence of the industry is in jeopardy.

I do not believe anyone could question that the tariff board found as a fact that the 50 cent maximum under this item has become the governing rate of duty on practically all imports of British wool cloth, and that the industry no longer had the protection of the 20 per cent specific duty and 12 cents per pound ad valorem as was intended when these rates of duty were first established.

There is no doubt in my mind, either, that the Canadian wool industry has suffered and is suffering serious injury from the loss of their domestic market to imported British cloth, and that the 50 cent maximum is one of the contributing factors. The closing of 17 mills, most of which were established before the war and in some cases before world war I, the reduction in the number of employees by 43 per cent between 1949 and June, 1954, with many of the remaining employees working only part time—facts that were established by the tariff board in their report—are a clear indication that the Canadian industry has suffered and is suffering serious injury. That the tariff board recognized that the continued existence of the industry is in jeopardy is established by their statement in the report at page 30, where they say:

> Taking all these factors into consideration, there seems little doubt that the chief reason for the losses incurred in 1953 was the fact that to secure orders the mills had to sell a substantial part of their output at unsatisfactory prices. In many cases these sales were reported as having been made at prices to meet those quoted by their British competitors. That a substantial portion of the industry appears to be in serious difficulty is evidenced by the constancy of the over-all rate of absorption of capital resources.

The Budget—Mr. A. W. A. White

In today's issue of the *Globe and Mail* it is stated on the financial page that Dominion Woollens and Worsteds had a loss of $361,166 in the last year.

Other hon. members who have spoken on this subject in this debate have constantly referred to the industry asking for an increase in the tariff. The Minister of Finance in his budget address also said that he did not think it would be wise to increase the tariff. I would like to point out that the industry in its submission to the tariff board did not ask that the tariff be increased, but only that the 50 cents per pound maximum be abolished because it no longer served the purpose for which it was established, and had become unrealistic and anomalous.

The tariff board found as a fact that since 1948 the 50 cents per pound maximum had become the governing rate of duty—in effect a specific duty—and there is no doubt in my mind, and I do not believe there was any doubt in minds of the members of the tariff board, that this very fact was one of the contributory factors leading to the present plight of the Canadian wool cloth industry, even though by itself, or per se, as it is said in the report, it cannot be considered the whole cause.

Another factor that the board said must be taken into consideration is the decline in the Canadian market. In this regard it is interesting to note that while the total decline in the market from 1948 to 1953 was 10 million yards, the share of the Canadian industry of the domestic market dropped by 10·7 per cent while during the same period British imports increased by 11 per cent. It is therefore quite obvious that while the total demand for wool fabrics has declined, the share of the Canadian mills of the available market has been reduced to a greater extent than the decline in the market itself.

Another hon. member, speaking in the debate on this subject, indicated that the industry was overexpanded and inefficient. I would like to point out to him that with full employment between 1945 and 1949, the Canadian wool cloth industry was able to supply only 68 per cent of the domestic market, and any statement that the industry is overexpanded is unfounded. In the post-war years the industry spent $35 million on plant and equipment and have in operation 655 manual looms and 1,788 automatic looms, whereas in 1949 there were 1,404 manual looms and only 1,014 automatic looms. I think it will be readily admitted that the Canadian industry has modernized itself and is efficient.

The widening gap between wages paid in England and in Canada, which was accentuated by the devaluation of the pound, has been a major factor contributing to the loss of the Canadian market to British imports. In 1935 wages in Canada were 29·7 cents per hour compared with 19·1 cents per hour in England, a difference of 10·6 cents per hour. In other words wages in Canada were 55 per cent higher than wages in England at that time. After devaluation of the pound this difference widened to 45·5 cents per hour in 1950, or 123 per cent. Today the difference is 61·8 cents per hour, or 151 per cent. The tariff board had this to say about wages at page 17 of its report:

> It was suggested during the inquiry that in the years of profitable operations—1946-49—wool cloth manufacturers were too optimistic and raised the wages of their workers too much and that as a result, Canadian wool cloth cannot compete with wool cloth made in low wage countries. This is a difficulty that manufacturers in a high wage economy must meet if they are to continue in production. For industries where the cost of labour is a large proportion of total cost, such as the wool cloth industry, this is a serious problem for manufacturers. To compete in this market, production in this industry must be efficient. This means that manufacturers must not only give efficient management but must attract and keep skilled and industrious workers. To do this, the industry must pay wages which are about the same level as those offered in other industries.

The board also stated at page 46 of its report:

> Manufacturers must now make finer cloths than in the pre-war years; indeed, finer than in the immediate post-war years. As finer cloths mean more labour, labour costs may well have become a higher proportion of total conversion costs, adding to the disadvantage of Canadian producers.

Since the cost of wool is fixed by world prices the difference in conversion costs, of which wages is a big factor, simply means that the British manufacturer can produce wool cloth, pay transportation, pay the 50 cents a pound maximum duty, and land his wool cloth in Canada at 50 to 60 cents a yard less than the cost of production in this country.

Many will undoubtedly say that it is an uneconomic industry and should change to something else or get out of business. I wonder how many of our industries could survive if they were faced with that kind of competition. I would like to ask the representatives from the western provinces if the wheat farmer could stand competition like that; and if he could not would they say it was an uneconomic industry? I do not think anyone would suggest that the average workingman is getting more wages than he needs to live and raise his family in this great country of ours, where we are enjoying the second highest standard of living in the world. Neither do I think anyone would say that we should lower our standard of living to meet competition from these other countries. That would be a retrograde step and

where would you stop? At the living standard of the Japanese, where they get less than ten cents an hour?

The leader of the C.C.F. group, speaking on a national broadcast on June 1, 1954, had this to say:

> Within the last two weeks, the government has asked the tariff board to study the impact of preferential tariffs on woollen textiles imported from the United Kingdom. This announcement can have only one meaning—that the government is considering increasing the preferential tariff rate of this commodity imported from Great Britain. Let me immediately say that if this were done the C.C.F. would be strongly opposed to it.

That may well be the position taken by members in the C.C.F. group representing the prairie provinces, but I am convinced that the textile workers and organized labour in the industrial provinces of Ontario and Quebec could never subscribe to such a policy.

Many other industries are losing their Canadian market to imports from these low wage countries; to mention only a few, the machine tool industry, the electrical industry, the rubber footwear industry. Still others are suffering from competition with imports from the United States, where their large home market with a wall around it allows them to produce in such large quantities that our secondary industries in many cases cannot compete with them even in our own market. We have listened too long to members of the United States government give lip service to the principles of freer trade; then, as soon as any of their industries suffer from competition they immediately slap on quotas and use the escape clauses under GATT.

In conclusion I would ask the government to reconsider its decision, and before the new GATT agreement is signed to eliminate the 50 cents per pound maximum under tariff item 554b. I would also urge the government to see that we have the same escape clauses as any other signatory to the GATT agreement and if the United States or any other country wantonly uses the escape clauses against us, we should protect our own industries by the same method.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, for many years now the world has been in the grip of a so-called cold war. A cold war is a war for men's minds, a war in which the aggressor seeks to talk his intended victim out of the possessions which he contemplates obtaining. The enemies of freedom, which comprise the communist conspiracy, subtly and with satanic skill and cunning, have been talking the world into confusion and into delusion in order to lead the democratic peoples into captivity, bondage, slavery and then destruction.

My purpose today is to discuss one of the techniques of that cold war that has been waged against the anti-communist world incessantly now since at least as far back as 1940. During that cold war the anti-communist peoples have sustained appalling losses, mainly through failing to recognize and realize what was happening to them. They are still in danger of losing, because they will not realize what is happening to them. For example, during the ten-year period ending with this year, in China alone 450 million potential friends of North America have been turned into 450 million potential and almost certain enemies of North America, by being delivered into the hands of Stalin and the political successors of Stalin in red Russia.

How came this dangerous occurrence about? United States citizens, acting either within the United States or under the direction of people in the United States, threw the Chinese mainland under the domination of the red rulers of Moscow. How and by whom has this been achieved?

May I suggest, as one of the figures eminently worth considering in this connection, Dean Gooderham Acheson, one-time secretary of state of the United States. Much confusion has been sown everywhere among anti-communist peoples through certain false statements of Dean Gooderham Acheson. Strangely enough, throughout this country and practically throughout the world this man is held in high esteem, which makes his falsehoods more dangerous.

May I invite the house for the time being to consider two of many examples of such false statements which I could readily name. Dean Acheson in 1949 said in effect that the United States could not in reason have prevented the outcome of the so-called civil war in China. No matter what she had done or left undone, he said, she could not have prevented the outcome. In his letter of transmittal to the white paper on "United States relations with China, 1949", Dean Acheson said:

> The unfortunate but inescapable fact is that the ominous result of the civil war in China was beyond the control of the government of the United States. Nothing that this country did or could have done within the reasonable limits of its capabilities could have changed that result; nothing that was left undone by this country has contributed to it.

See Utley, page 31.

I think probably a bigger falsehood than that could not be found in modern times. Freda Utley, at page 30 of her highly scholarly and scrupulously documented book, "The China Story", published in 1951, writes:

> No one who takes the trouble to study the records can accept Acheson's statement.

She particularly refers to the letter of transmittal to the white paper, which contains the statement I have just quoted from Acheson. Dean Acheson was wrong; Freda Utley was right. On page 31 of "The China Story" Utley justifies her statement in the following words, and I quote from "The China Story":

> Perhaps Mr. Acheson did not study the white paper all the way through its unindexed 1,054 pages. For in the small-print annexes in the back, as will be shown, are a number of documents that glaringly contradict the words of the state department in the main text.

That is glaring falsehood No. 1. As for No. 2, Dean Acheson in a letter to Senator Connally on March 15, 1949, used these words:

> Despite the present aid program authorized by the last congress, together with the very substantial other aid extended by the United States to China since V-J Day, aggregating over $2 billion . . .

I quote this from "The China Story" by Utley, page 31. It is a glaring falsehood to say that China had received $2 billion worth of aid. In "The China Story", chapter 2, entitled "Too Little, Too Late", Utley, after carefully studying the figures given on pages 1,043 and 1,044 of the 1949 white paper on China, says on pages 33 and 34:

> Elimination of both the "service" charges and of the $100 million or so of United States non-military "war surplus" stocks sold to China in 1946 reduces the total of post-war "military aid" to China to about $360 million. This total is disputed by the Chinese national government. According to its calculations, China received $110 million worth of "effective military aid" prior to the 1948 China aid act, which, together with the $125 million allocated by that act, brought the total to $225 million.

Next to the one I cited a moment ago, that comes close to being the second prize winner for the lie of the quarter century. See how colossal the lie is and what a false impression it has contrived to give concerning the strength of the communists, the weakness of Chiang Kai-shek, the position of Formosa and all these other matters which so vitally affect us in this dangerous hour.

Colonel L. B. Moody, a United States army ordnance corps officer who served with the Donald Nelson mission to China, after having made an intensive and detailed study of aid to China, said in a speech in Washington on April 11, 1950, and I quote from the speech as it is printed in Utley, page 35:

> It is obvious that "military aid" means to the Chinese infantry weapons and ammunition above all else, and it is precisely these items which the United States action has consistently denied, delayed or limited.

No matter how much money might have been spent in China on anything else except bullets and the guns with which to shoot them, the aid would have been of no value; but even at that the aid which Acheson implied had been given was never given.

What I have already said in this talk will help anyone to appreciate, in some small degree at least, the significance of some words which I now quote from Dr. Hu Shih in his article "China in Stalin's Grand Strategy":

> Such, in brief, is the story of the unfolding of Stalin's strategy of conquest in China. The heart of this strategy has been the creation, preservation and nurturing to full strength of the Chinese red army. It has taken nearly a quarter of a century for the red army to achieve sufficient power for the conquest of continental China. This red army was many times defeated, broken up and nearly annihilated by Chiang Kai-shek's armies; and Stalin and world communism might never have succeeded in China if the greatest war in human history had not intervened.

I may add to that, if in the course of that war it had not been possible to delude people so completely by falsehoods that had been spread about and never answered. I quote again from Dr. Hu Shih's article:

> The pattern of conquest is therefore the same in China as in Poland, Bulgaria, Hungary, Rumania, Jugoslavia and Czechoslovakia. It is the pattern of conquest by force and violence projected from the contiguous Russian base. What seems to differentiate China from the seemingly much easier conquests in central and eastern Europe has been the much greater complexity and difficulty of the conquest, which made it necessary for Stalin to resort to the most cunning forms of secret diplomacy in order to overcome the resistance that nationalist China had been able to summon for over two decades.

The cunning and secret diplomacy to which he resorted I am now discussing. My reference is to Dean Acheson and his monstrous performance in connection with this struggle against Chiang.

The Chinese communists, abundantly aided by Russia, played a part in driving Chiang to retire to Formosa. The Russian communists did far more, while the American communists under Dean Acheson really did the job of driving Chiang to withdraw to Formosa. Actually Americans Roosevelt and Truman, Dean Acheson, General George C. Marshall, backed by the United States communist organization—these are the men who drove Chiang to withdraw from China to Formosa.

The authorities which I shall cite today are given at pages 3025 and 3026 of this year's *Hansard*. They are "China in Stalin's Grand Strategy" by Dr. Hu Shih; "The Iron Curtain Over America", 1952, by Dr. John Beaty, at one time military intelligence officer in the United States all during world war II; "The China Story" published in 1951 by Freda Utley—the authenticity of these authorities I discussed on a former occasion in some detail—and committee hearings such as those of the McCarran committee of the United States Senate. Every one of these is of the very highest degree of validity.

To appraise and appreciate Chiang Kai-shek with even superficial adequacy, one should contemplate him against the background of his whole history. I gave a considerable amount of that history on April 21. Time forbids that I do that on this occasion. Omitting for the present the remarkable story from June, 1926, when General Chiang Kai-shek as commander of the army of national revolution succeeded Dr. Sun Yat-sen as leader of the republic of China, on down to the end of 1944, let us consider the pertinent events of 1945 and on.

Let us look at 1945. The Chinese communist army in 1945 probably amounted to from 300,000 to 350,000. See David J. Dallin, "Soviet Russia in the Far East", Yale University Press, 1948, at page 223, cited in Dr. Hu Shih at page 34. These were scattered over 19 provinces, poorly armed and poorly supplied—see Hu Shih, page 34. These remnants Chiang was rapidly and effectively mopping up. May I quote a passage which establishes that fact quoted in "The Iron Curtain Over America" by Dr. Beaty, page 115:

> President Truman, on the advice of Dean Acheson, announced to the world on December 15, 1945, that unless communists were admitted to the established government of China, aid from America would no longer be forthcoming. At the same time, Mr. Truman dispatched General Marshall to China with orders to stop the mopping up of communist forces which was being carried to a successful conclusion by the established government of China.

We come now to 1946 and an outline of the doings of General George C. Marshall in China during that year. I have told of his selection and dispatch in December, 1945. He was head of the Marshall mission, which was assigned the task of ending the struggle in China between the anti-communists under Chiang Kai-shek and the communists under Stalin's direction. Marshall had specific instructions—and note this carefully; how impossible for Chiang Kai-shek they were—to exert pressure on Chiang's national government to come to terms with the Chinese communists, such pressure to take the form of threats to withhold credits, technical assistance in the economic field and military assistance by the United States; see Utley, page 8. May I quote from "The China Story", page 8:

> Thus, in effect, President Truman barred China from American aid until the Chinese communists should cease fighting the national government. Since the Chinese communist party, like all other communist parties, always and at all times, acted on Stalin's instructions, the United States government was in reality endeavouring to force the Chinese government to submit to Moscow.

That does not sound nearly so good, does it? How does the Dean Acheson lie stand in relation to that? I quote again from Utley, page 10:

> America's compulsions could be and were exerted only against the national government. By withholding both economic and military aid from the national government until it came to terms with those who wrought havoc in China for their own ultimate gains, it was we (the United States) who put the communists in a position in which they could blackmail the national government.

That is a pretty bad start, is it not? It is a rather ugly picture, is it not?

Marshall, during his one year in China, interfered with Chiang enough to ruin Chiang's finest chances of ultimate victory, unless he could be given generous American aid in later years. This was in addition to what Roosevelt had done at Yalta! This damage Marshall did: First, by pressing Chiang into ceasing fire three separate times, namely in January 1946, in June 1946, and in November 1946, in each case just when Chiang had his enemies on the run, in full defeat and in full retreat. Second, or the second means by which he did damage, was by declaring an embargo—almost unbelievable—preventing Chiang from buying military supplies for upwards of a full year; see Utley, page 13.

Now as to the details: Marshall, shortly after he arrived in China, arranged a truce. He found Chiang winning too much and he called for a truce effective January 13, 1946, whereby, first, the communists and nationalist forces were to be frozen in their present position; and second, the nationalist forces were to be free to move into Manchuria to take it over from the Russians; see Utley, page 11. That does not sound too bad, except that it stopped Chiang from destroying his enemies when he had them on the run.

Now, the province of Jehol adjoining Manchuria had been administered by Japan as part of Manchoukuo, which was the Japanese name for Manchuria. The nationalists naturally assumed that they were to occupy Jehol. Chihfeng, a railway junction city in Jehol, was occupied only by Russian troops; see Utley, pages 12 and 13. The nationalists insisted on taking Chihfeng over. Control of Chihfeng would go far toward enabling the nationalists to shut off the Chinese communists in China from the communists in Manchuria, something which of course was greatly to be desired. The Chinese communists, under Chou En-lai, insisted that the Chinese communists held Chihfeng and should hold Chihfeng—one of his lies. Since the Chinese communists, he said, had it—which was a lie—they should hold it.

Marshall, at 10.30 that night, went to visit Chiang Kai-shek at his home and stayed there

until midnight. He constrained Chiang to let Chou En-lai have Chihfeng and with it control of Jehol province—Utley, page 12. All that needs to be said now to show the absolute abomination of that act is that the Russians were in control of Chihfeng. Chou En-lai did not have it. He knew he did not have it. He knew the Russians had it, and he used this lying trick to get control of that centre which would have meant victory for Chiang Kai-shek.

The communists in the truce signed on January 10—Utley, page 13—had agreed to allow the nationalists to move into Manchuria to take it over from the Russians—Utley, page 11. But as Russia's armies retreated from the Chinese territory they had ravaged, they handed over the towns and military supplies to the Chinese communists —Utley, pages 12 and 13. Naturally the Chinese nationalists fought. Who would not have fought? Here were the communists breaking their agreement right under Marshall's nose and being disregarded in the process.

When in May Marshall returned from the United States he found in progress a victorious nationalist offensive which was sweeping the communists before it in spite of the Russian arms, military advice, and training that had been given the Chinese communists —Utley, page 13. Marshall, when he returned, saw what was going on and saw that he would have to stop it. Marshall in June again forced Chiang to call a cease-fire—Utley, page 15. This time Marshall made Chiang let the communists keep the parts of Manchuria they then occupied, keep them in violation of Marshall's own truce effective January 13—Utley, page 13. It is almost impossible to believe, Mr. Speaker, that people from the United States would commit such outrages against an innocent people, is it not?

To use Utley's words, "the victorious offensive of the nationalist forces was halted"—Utley, page 13. The nationalists had forced the communists back as far as Harbin—Utley, page 15. That is a long way. You see the terrible loss that was inflicted by Marshall on Chiang then. The communists, having acquired through the second truce the breathing space they required to rally their forces, began to fight against Chiang again. In every case you will notice it was the Chinese communists who took the offensive. They were the aggressors. They continued to fight against Chiang through the summer and fall of 1946—Utley, pages 15 and 16.

Yet the nationalist forces, having still some ammunition left, won battles and regained territory. They captured Kalgan pass, which was vital, and other strategic points in north China and seemed well on their way to win the war. I quote from "The China Story", page 16, as follows:

> By November, 1946, the white paper on China states, "the government's forces had occupied most of the areas covered by its demands to the Chinese communists in June and during later negotiations and had reached what turned out to be the highest point of its military position after V-J day."

If Marshall had kept his evil hands out of the situation Chiang would have won right then, without any question. Marshall throughout this period kept pressing Chiang—never the communists, always Chiang—for a third truce—Utley, page 16—until finally on November 8, 1946, after a two-day conference with General Marshall, Chiang ordered all his troops to cease fire—Utley, page 16. You will occasionally hear people say that the people of China lost their morale, that they fell away from Chiang in China and that they joined the communists. What kind of story do you suppose would be spread among the ordinary Chinese by the communist liars every time Chiang ceased fire? The story they would tell would be that he had betrayed them. There was no way in which that lie could be answered by Chiang.

The result of these truces was repeatedly to give the communists time to (1) rally and regroup their forces, (2) destroy more and more of China's economic assets and impair Chinese morale, and (3) learn to use the war materials coming from Russia. How vital those things were! The long delay also gave Russia, meanwhile, time to build up a munitions-producing potential in Manchuria ready to supply the Chinese communists with war munitions.

In the light of all that, recall the statement of Acheson that nothing the United States could have done or left undone could have changed the outcome of the civil war in China, and we begin to see the reprehensible and monstrous nature of the lie that Dean Acheson told as the consummation of a chapter of wickedness which I believe for outrageousness probably equalled anything ever committed in the annals of man.

We now come to the second phase of America's betrayal of China in 1946, namely that having to do with arms and ammunition. At the end of July, 1946, Marshall clamped an embargo on the sale of arms and ammunition to China—Utley, page 13—until July, 1947—Utley, page 35. Could you have anything more unjustifiable than to do a thing like that? For almost a year thereafter the Chinese nationalist government was prevented from buying, and was definitely not given, a single round of ammunition—Utley, page 13.

Again, on August 18, 1946, Truman issued an executive order saying that China was not to be allowed to acquire any "surplus" American weapons "which could be used in fighting a civil war", which could only mean a war against the communists. Meanwhile, of course, the war with the communists was going on. When in the summer of 1946 Chiang tried to buy one and a half billion rounds of ammunition from the United States, the state department informed him that export licences would be refused—the only nation on the face of the earth that could not buy arms and ammunition from the United States, as far as I know. Britain, presumably under United States pressure, followed suit. There was no other source of supply—Utley, pages 13 and 14. Imagine the injustice of a person who maintains that Chiang was driven out of China by the Chinese, in the face of things like that.

Thus far, Mr. Speaker, I have maintained that the fall of China to the Russian communist conspiracy was the result of the work of American citizens operating in the United States or directly under the instructions of United States officials. May I now give some quotations in support of my contention? These quotations are from some of the finest authorities in the world. I quote from "The Iron Curtain Over America" by John Beaty, page 116:

> Thus President Truman, Ambassador Marshall, and the state department prepared the way for the fall of China to Soviet control.

Again from the same authority, on the same page:

> They sacrificed Chiang and they destroyed—

Notice that there is no doubt about it.

> —a friendly government, which was potentially our strongest ally in the world, stronger even than the home island of maritime Britain in this age of air and guided missiles.

In "The Iron Curtain Over America", page 146, we find this reference to Chiang:

> His failure on the mainland had resulted directly from our—

That is the United States.

> —withholding of ammunition and other supplies.

I give another quotation, again from "The Iron Curtain Over America", page 146:

> Chiang's forces—despite frequent belittlings in certain newspapers and by certain radio commentators—were and are by no means negligible.

Again I quote from the same authority, page 115:

> Although the Soviet was pouring supplies and military instructors into communist-held areas, Mr. Truman said that the United States would not offer "military intervention to influence the course of any Chinese internal strife".

An ugly picture, is it not, Mr. Speaker? May I give another quotation. This one is from "The China Story" by Utley, page 19:

> This threat of complete withdrawal of American interest in the outcome of the conflict usually forced the generalissimo to give way and halt his victorious offensives to the benefit of the communists.

Once more may I recall that monstrous lie of Dean Acheson, that nothing the United States could have done or left undone could have changed the outcome? Where in all history have you heard a worse lie than that?

Even after four years of the most inane betrayal on the part of the United States administration—mark you, it is the administration and not the people of the United States, who were kept in complete ignorance of all that was going on; it was the administration and certain men like Acheson, Lattimore, Hiss and other men in the administration—when Chiang, in December, 1949, withdrew to Formosa he still was a power with which to reckon.

On May 10, 1949, General Claire Chennault, a military man of many years' experience, giving his views in his "summary of present communist crisis in Asia" set forth that some 150 million people in southern and western China could supply "effective resistance to the communist advance". Chennault wrote, and I quote from his summary:

> Both the people and their leaders are prepared to resist the communists and will in any case resist whether we help them or not. But what we give in aid will make the difference between a hopeless and an effective resistance.

Here was a man who had been right out there fighting and knew all about it.

When in June, 1950, the United States seventh fleet was ordered into the Formosa strait, Chiang had a navy that was "quite an efficient force", with power to intercept and capture communist supply ships going up to Korea, according to Ambassador William Bullitt, testifying before the McCarran committee hearings on I.P.R. on April 8, 1952. Chiang had an air force of between 200 and 250 planes. Chiang, from Formosa, with his 200 to 250 planes was dropping ammunition to unsubdued nationalist troops on the Chinese mainland, 1,250,000 of them—see Beaty, page 146. He was bombing communist concentrations and was making hit and run raids on communist-held ports. He was intercepting supplies being sent to the communists from the United States and Britain—see Beaty, page 146. These supplies included, for example, 2,500 tons of Malayan rubber per month—see Beaty, page 146.

Chiang was holding two communist armies in China occupied in watching him—see

Beaty, page 147. Chiang Kai-shek was successfully blockading Shanghai and Tientsin when Truman ordered the United States seventh fleet to "protect" him—see Utley, page 96. Truman thereby indirectly actually stopped him from blockading and most likely reconquering the Chinese mainland.

Do not the facts, Mr. Speaker, indicate that the Korean war might have been another step in the United States administration's long, sordid series of moves to eliminate Chiang Kai-shek?

If my conclusion is not right I invite all people who doubt the probability of my suggestion to explain certain things. First, Acheson practically invited the communists to take over South Korea and Formosa. At that time, on January 12, 1950, Acheson made it clear to the national press club in Washington that the United States would not go to the defence of either Formosa or Korea—see Utley, page 93. Is that not an invitation? Then there are those who blame North Korea for striking down into South Korea!

Second, on April 3, 1950, Acheson threatened South Korea with the withdrawal of United States aid—the same old story—if she did not balance her budget. Of course this meant that she must cut her military expenditures in preparation for defending herself against North Korean attack—see department of state bulletin, volume XXII, No. 563, dated April 17, 1950, page 602.

Third, the men Truman had sent into South Korea had permitted the South Koreans to make ready to defend South Korea only "to prevent border raids and to preserve internal security". These are Truman's words of June 27, 1950, as quoted by Utley at page 92. All this happened, notwithstanding the fact that on February 19, 1949, the Korean aid bill was passed by the United States, and in October a majority of the Senate appropriated $10·5 million for arms aid for Korea! The United States administration neglected to deliver this aid!—see Utley, page 92.

Fourth, when the United Nations called for troops, the United States refused to accept 33,000 of Chiang's best soldiers offered to them from Formosa, though no other nation offered troops in substantial numbers—see Beaty, page 147.

Fifth, the use of the United States seventh fleet: 1. Released two communist armies to march up into North Korea to slaughter our boys and win South Korea, thus weakening Chiang's position. 2. Permitted great quantities of highly vital war materials to come up the Formosa strait to strengthen the Chinese communists, so they could come down to slaughter our boys.

[Mr. Blackmore.]

Sixth, the United States administration, after all this, refused to allow General MacArthur to win!

Now, Mr. Speaker, I think anyone who contemplates this recital of charges will recognize that we are in a chamber of horrors. When things such as I have indicated could be done by the United States administration in a way such as might threaten our very existence on this planet, and could put us in danger for no one knows how many years, it must strike almost anyone as being unbelievable. It is unbelievable until it is proven to be true, and it is proven to be true!

Now, in all our dealings with the United States we must bear in mind that probably, in large measure, the very same people who aided, abetted and directed in throwing China away are still in the American administration and will, if they get the opportunity, throw away Formosa just as they threw away China. Our efforts must be to strengthen those who would defend Formosa. For the communists want Formosa because, at the present time, Formosa is perhaps the most important strategic piece of territory on the face of this earth, so far as North America is concerned.

Thank you, Mr. Speaker.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, first I should like to congratulate the Minister of Finance upon the honest and courageous budget he brought down in this house about a month ago. It is a budget which seems to be accepted by the official opposition most reluctantly. As they have been unable to find anything in it to criticize they have gone back to the theme song they started last January, that of unemployment.

That was the criticism offered by the official critic of the Conservative party. I also heard his address over the radio, at which time he used the same theme. So it would appear that they could find very little in the budget to criticize. From the information we are given, however, in provincial representations which come to Ottawa, and by people we meet in different parts of the country, it would seem that these two groups are a long way apart in their estimation of unemployment in this country.

I quoted on one other occasion a statement made by a member in the Ontario legislature in which he said he had visited hundreds of homes in his own constituency, and could not find a single person unemployed. I am another who believes that the unemployment question is one which has been greatly exaggerated. Even though lack of employment for one person is serious, I think we

must all admit that the unemployment situation is improving, and improving rapidly.

Listening to the critic for the official opposition in this debate, my memory went back to budgets in the past. I shall not weary the house at this time by quoting from speeches made by the official critic in past budget debates; however, I do well remember that if a minister of finance declared a nice surplus it was always a great worry to the financial critics of the Progressive Conservative party. Budgeting for surpluses, it seemed, was contrary to what one might expect would help the economy of the country. We listened to that for several years.

This year the Minister of Finance declared a deficit, and again we find the critic for the Conservative party very much disturbed, stating that we should not have budgets that do not balance. I am wondering what sort of budget would be pleasing to this particular gentleman. I have listened to the presentation in the house of 13 or 14 budgets, and I have yet to hear one presented that met with his approval. I think it can be said, however, that in this particular budget his only complaint is with regard to unemployment.

Another matter which was very noticeable in the debate was that the press did not give the critics the publicity which perhaps they felt they should have had. I would refer first to the Montreal *Gazette* and an editorial which, I believe, is the first item I have ever seen in that newspaper that was favourable to this government. I shall not quote the entire editorial, but there are some parts of it I should like to put on the record. It states:

> Easing The Burden
>
> Hon. Walter Harris has decided to use falling taxes as a weapon with which to fight falling revenues. It is a courageous course. But it may well prove the right one . . .
>
> The cut Mr. Harris has made in corporation taxes at this time is not simply a cut for the corporations as such. It is a means of easing the burdens on that economic system which provides the nation with its livelihood. It is a means of speeding the wheels of industry . . .
>
> Whatever may be said of the political desirability of such a cut, the fact remains that it is also a sound one to make at this time. The whole principle of ponderous personal income taxes was said to be justified by the need to curtail spending for the sake of controlling inflation. This is not now the situation. An easing of the tax burden upon the individual is a move towards increasing purchasing power: it is also a move to restore the incentive for greater effort and greater earnings . . .
>
> It is a courageous calculation to make, when the white paper tabled by Mr. Harris in the House of Commons on Monday disclosed that gross national production in Canada had fallen in 1954 by $431 millions. For it means that Mr. Harris is not only estimating that the economy will regain the ground lost last year. He is actually counting upon the economy setting, in gross national production, the highest peak in all Canadian history—higher even than the peak reached in 1953. In other words, even to keep his deficit from getting greater than $160 millions he has to realize the biggest economic boom in all history . . .

And this last short paragraph:

> The economic lift they will give the economy may, in due course, produce new sources of revenue, by broadening the base.
>
> This is, surely, the right approach. And surely it comes at the right time.

As I said earlier, this is the first time in my memory—I am not saying it is the only one—that this particular newspaper ever paid any kind of tribute to a member of this government. For that reason I suggest it should be appreciated.

I should like to deal for a few moments with the speech delivered a few days ago by the hon. member for Eglinton (Mr. Fleming). I listened to the hon. member and felt that his criticism, compared with speeches he had made in the past, was very weak. It will be recalled that a few years ago the sales tax was increased by 2 per cent, taking it from 8 per cent to 10 per cent. This increase was made to raise funds to pay pensions to every citizen in this country 70 years of age or over. In criticizing this increase in the sales tax the hon. member for Eglinton described it as a 25 per cent increase, not an increase of 2 per cent. It seems to be the habit of this hon. gentleman to juggle percentages and figures to suit his own purposes.

Mr. Macdonnell: Would the hon. member permit a question?

Mr. Stuart (Charlotte): Yes.

Mr. Macdonnell: Does not the hon. member think what the hon. member for Eglinton meant was that it was a 25 per cent increase in the existing tax? And, on that understanding, was he not correct?

Mr. Stuart (Charlotte): I will answer that in a moment. But why not use the same percentages and the same methods at all times? When it suits your purpose you use one method, but when it does not suit your purpose you use another.

Mr. Macdonnell: Would the hon. member permit a further question? Does he not agree that what the hon. member for Eglinton said was strictly accurate?

Mr. Stuart (Charlotte): No; if it was 8 per cent before and it was increased to 10 per cent, that is an increase of 2 per cent, because eight and two make ten.

Mr. Macdonnell: But two is 25 per cent of eight.

Mr. Stuart (Charlotte): Yes; but why not use one or the other system all the time?

The Budget—Mr. A. W. Stuart

On Tuesday last, speaking in this debate, the hon. member for Eglinton reversed the method he had used formerly when criticizing income tax reductions. He stated that in the lowest income tax group the savings that would result from this budget would only be about 15 cents or less per week to each taxpayer in this lowest income group who pay taxes in this country.

I should like to put on the record the reductions that we may expect as a result of the budget. I have taken the group from $2,000 to $5,000. On $2,500 the reduction is 25·7 per cent; on $3,000 income it is 26 per cent; on $3,500 it is 25·6 per cent; on $4,000, 24·9 per cent; and on $5,000, 24·5 per cent. If you group those figures together you have about a 25 per cent decrease. The taxpayer which the hon. member for Eglinton (Mr. Fleming) mentioned pays only $26 to start with, so how could you expect an enormous reduction in dollars and cents. Surely no one can say that a man paying $26 in income tax has a terrible tax burden to carry.

When the hon. member for Eglinton spoke on the budget on Tuesday night, after making these comparisons which seemed to suit his purpose, he went on to offer this brilliant constructive suggestion, which appears to have been overlooked by the Minister of Finance (Mr. Harris). In the opinion of the hon. member this suggestion would bring relief to the Canadian taxpayers and solve their problems to a great extent. At this part of his speech the hon. member for Eglinton seemed to be in his best form. The veins in his neck were nearly at the bursting point and his little moustache stood straight out from his lip. He announced that if the sales tax was removed from tea and coffee it would save the Canadian taxpayer $9 million. There was great applause from his colleagues in the House of Commons when he made that suggestion. They considered that at last something worth while in the way of a saving had been offered to the Canadian taxpayer.

Remember, this particular hon. gentleman had had four weeks in which to study the budget because it was four weeks previous, to a day, on which the budget had been brought down. Yet this was the constructive suggestion he made. I regret many times that I did not have the privilege of attending Osgoode Hall or a university or college. However, figures have always seemed to fascinate me. In my crude way, by using my fingers and other methods, I tried to bring down these figures to a point where I could make a comparison. Using my crude methods, which I admit may have produced the wrong answer, I took this $9 million and divided it among the population of this country, the consumers, and I found, after using the same methods of comparison as were used by the hon. member for Eglinton in his income tax comparison, that the citizens of this country would save by this brilliant suggestion approximately one cent per week each.

If you balance his criticism with his constructive suggestion you will find that where the taxpayer he referred to was saving 15 cents a week, he condemns that and comes up with a suggestion which would save him 1 cent a week. If we followed the hon. member's suggestion, instead of lowering taxes we would be increasing them extensively.

On the same evening we were greatly interested in the speech delivered by the hon. member for Macleod (Mr. Hansell) in which he described a shadow government of his dreams. In that particular part of his speech I began to think of the hon. member for Eglinton. I can assure you that I was not dreaming; I was wide awake, but I did have some sort of a vision. I looked across the chamber and saw the hon. member for Eglinton delivering his first budget speech. He had changed a lot. There was a very neatly clipped goatee on his chin, and if I remember correctly he was wearing a wing collar and there was a piece of shoestring dropping down from his ear and fastened to his spectacles.

Next to him I saw the hon. member for Peace River (Mr. Low) sitting on his right. But when I looked at the Prime Minister's chair I got the shock of my lifetime. I looked three or four times before I realized that it was Walter Kuhl, former member for Jasper-Edson. Then I looked over to where our Minister of Justice now sits and I saw there our old friend Pat Ashby, former member for Edmonton, all dressed up in his ten gallon hat. There were many strange faces over there, many of members who have gone.

The minister of finance, presently the hon. member for Eglinton, came to this particular part of his budget speech—the first part I might say dealt with debt-free money or tax-free money to which I did not pay much attention because I did not understand it—I waited for what we call the meat of the situation, the tax cuts. He then dealt with what I would call the beverage cut, the tax reduction on tea and coffee, this $9 million to be saved the Canadian taxpayer. When they heard that, his colleagues just went crazy. That is the sort of thing that usually gets them aroused. Then the hon. member stood there with his little goatee, he waited for the proper moment until everything was quiet, and then he went on to say, "I can also suggest that the same thing will apply to toothpicks". At that time the whole house just went wild. That is the

kind of budget we could expect from the hon. member should he ever become minister of finance.

I should like to deal for a few minutes with the speech made by the hon. member for Saint John-Albert (Mr. Bell) on April 27. I want to say at the outset that the remarks I am making now would never have been made if the hon. member for Saint John-Albert and the hon. member for Royal (Mr. Brooks) had not stood up in this house and made such foolish and childish remarks. I want to say right now that there is no one in New Brunswick whom I fear in so far as expressing views are concerned. I have never had any fear of expressing my views, but I do abhor remarks such as these. I have never interfered in any way with the hon. member for Saint John-Albert or the hon. member for Royal. They both thought that they had me backed up against the wall when they challenged the New Brunswick members to express their views.

I am going to meet that challenge in my humble way. I regret that I was not in the house at the time the hon. member for Saint John-Albert spoke. I was attending a meeting of the external affairs committee and did not hear what he said. However, in the meantime I have read what he said very carefully and have decided that it definitely requires an answer. I hope that the Saint John *Telegraph-Journal* will give my remarks the same publicity they gave his, because I want the people in the province to know where I stand.

In his remarks on April 27 the hon. member for Saint John-Albert apparently had one thought in mind—anyone reading his speech I am sure will be convinced that it is exactly as I say—and that was to convince the people of New Brunswick that the only representation they had in the house came from Saint John. I realize that from a political standpoint this young gentleman is perhaps still a little damp behind the ears and it will take some little time for him to become acclimated. For that reason I want to answer him. The hon. member said, as reported on page 3229 of *Hansard:*

> We have in New Brunswick a large amount of undeveloped natural power in our rivers. The situation began to take form in 1945 under the Liberal government then in power in the province.

The hon. member then went on to refer to the great boost that had been given since the government changed two years ago. I want to tell the hon. member for Saint John-Albert that the Liberal government which had been in power for 17 years had the Beechwood project well under way in so far as the engineering work was concerned. That was the situation when the Conservatives took power because four months from the time they took over, the report was completely finalized.

I wonder also if he would accuse Liberal members—federal or provincial—from New Brunswick of selling our birthright and heritage at Grand Falls; this was one of the most economical power projects in our province. In the grand Tory betrayal a few years ago, they gave it away. That is the power that we need today. At the time it was given away, I am quite sure that the hon. member for Royal (Mr. Brooks) was a provincial member. The hon. member for Saint John-Albert (Mr. Bell) should know by this time that I never hesitate to express my views, and I believe that when I express them I call a spade a spade. That is what I intend to do for a few minutes this afternoon. There is another statement of his that I question greatly. He stated, and I quote from page 3231 of *Hansard* of April 27, 1955:

> I refer particularly to one other matter that I put in the same category, namely atomic power development in the country. When plans were lined up and we realized, perhaps a few years ahead of time, that there was some hope for nuclear development of power we in the maritimes —New Brunswick and Nova Scotia—naturally felt that we would be given the first choice. Here was the area in Canada that everybody said he wanted to help. Here was the area that had the labour, that had the initiative and that had everything except the power. We were told that on many occasions. But what happens when atomic energy comes around the corner? What do the central provinces do? By some devious method they either hinder our chance to take part in this development, or they completely exclude us from it.

Now, the hon. gentleman put those remarks on the record. We all remember when the Right Hon. C. D. Howe, Minister of Trade and Commerce, announced that all provincial hydro companies would be welcomed to Chalk River to study with federal engineers the development of power from atomic energy. To my knowledge, at the present time the only province that accepted that offer was the province of Ontario. The hon. member for Saint John-Albert tries to make us believe that we have been squeezed out. I would like to say at this point that it might have been possible for Premier Frost to have decided to come down and develop atomic energy in New Brunswick but, human nature being what it is, he decided otherwise.

The only people today who can be held responsible for the attitude toward atomic energy in New Brunswick is the provincial government we have at the present time, and no one knows that better than the hon. member for Saint John-Albert. They were invited to take part in this development and absolutely refused. They were not interested.

Now he stands on the floor of this house and tells us that the premier of Ontario is responsible for New Brunswick not being able to participate. The general public knows that suggestions such as these are incorrect. Every member of this house knows they are incorrect. The Right Hon. C. D. Howe made that announcement on two different occasions that I know of in the House of Commons. I often think that criticism, if it is based on something constructive and well founded, is good in any government, provincial or federal; but statements which are made so recklessly and without foundation may create interest in the home constituency at that particular time, but I am sure they are of little advantage in the long run.

I have been asked by the hon. member for Saint John-Albert to express my views on Beechwood. That is the power development on which we are depending now, to be built in New Brunswick. I want to say at the outset that I have never said anything at any time in any place that would be considered to be harmful in any way to Beechwood. But I want to suggest here today, and every person in New Brunswick is going to know exactly where I stand, that I am one who believes that Beechwood is not economically sound.

Mr. Bell: That is what I wanted to know.

Mr. Stuart (Charlotte): You could have asked me that. You did not have to challenge me on the floor of the house. That information was at your disposal at any time you wanted it. I have never hesitated to express my views at any time. I believe it is a great mistake to go ahead with Beechwood, and I say that for this reason. We have not gone into the study of power from atomic energy. I might also say that when comparisons are made between costs of hydro power and the cost of atomic energy, the power sites in Ontario and Quebec are always used as comparisons. It is not fair to compare them with New Brunswick, because the cost of hydro-electric energy in New Brunswick is far above that in Quebec and Ontario. The differential is quite different when you compare hydro developments in New Brunswick with those in Ontario and Quebec. I have also been informed that our provincial government has been offered cheap power from the province of Quebec on a long-term basis. I have been informed it is much cheaper than we could develop it ourselves. If that is true, I think it should be investigated very thoroughly.

I would not want the hon. member for Saint John-Albert to be leaving the impression that all the citizens of New Brunswick are in favour of Beechwood. I should like to assure him they are not. When they are given the facts that the building of Beechwood will never decrease the cost of electrical energy by one cent but will increase our provincial debt by over 50 per cent, they are going to take a second glance at it before they endorse it. I feel it is a matter that must be gone into much more carefully than it has been so far. I believe that there are other sources of power that can be developed which will bring about a much better result than we can ever hope to have from Beechwood. I believe the hon. member will understand exactly my feelings about this project. Again I want to emphasize the fact that never at any time have I said anything detrimental to this project, but those are my personal opinions—

Mr. Bell: Until now.

Mr. Stuart (Charlotte): Until now. Those are my personal opinions and I am not in the least hesitant about placing them on the record.

Mr. Bell: May I ask a question if you are going to leave Beechwood now?

Mr. Stuart (Charlotte): Yes.

Mr. Bell: Does the hon. member think the provincial debt will be increased greatly if the federal government assists us with low interest money?

Mr. Stuart (Charlotte): I am not in a position to discuss low interest money from the federal government. I am not the minister of finance. Low interest loans to a provincial government for the development of hydro are a matter that I know nothing whatever about. It may have been done, but I know nothing about it.

Now I shall mention one other fact. The hon. member for Saint John-Albert has challenged me to express my views. Now I am going to make a statement, and I shall get some reaction from him. During the unemployment debate in this chamber nearly every Conservative member took part in that debate. It was most noticeable that the member for Saint John-Albert held his seat. There was never a word from him. It was rumoured all through the corridors of this building that the hon. member for Saint John-Albert, knowing the conditions this year in his constituency were much better than last, wanted to get up on the floor of the house and express that opinion, perhaps taking it for granted that he would secure some credit for that improved position; but it was suggested that if he did it would be contrary to the arguments that would be put forward by his gloom casting comrades.

An hon. Member: Don't be silly now.

Mr. Stuart (Charlotte): I am not being silly. I am answering exactly what you asked me to answer. I am told that he was asked to keep his seat. He can answer for himself. He knew the conditions were better in Saint John than they were last year. Why did he not get up? He says he does not believe in playing politics. Why did he not get up and say, "The conditions in my constituency have improved"?

Mr. Bell: Mr. Speaker, on a question of privilege, in the budget debate I put on record the unemployment situation in Saint John, and I felt that was just as good a place as any to do it.

Mr. Stuart (Charlotte): We will take it for granted that that is correct. He has spoken of co-operation between federal and provincial governments; both the hon. member for Saint John-Albert and the hon. member for Royal have spoken of that. We have a project which is being carried out as rapidly as possible. I refer to the Gagetown project. I am going to challenge the hon. member for Saint John-Albert or any other Conservative members from New Brunswick to show me one instance when they have ever said anything complimentary about the Gagetown project. You have all heard the hon. member for Royal criticize and criticize, even though the greater part of this present project is in his own constituency. Today that project means more to the province of New Brunswick than anything else we have had or anything that I can visualize. But there is never a word about it in a complimentary way. It is always condemning. I have here an article that I cut out of the Montreal *Gazette* in connection with Gagetown. It illustrates the requirements of that camp. To give you some idea of what it means to the people of New Brunswick, I should like to read from this article:

> The list of requirements includes everything from the daily number of bread loaves (5,000) needed to keep 10,000 soldiers marching on their stomachs, to the 5,000 haircuts barbers will give each week . . .
>
> To feed the division, scheduled to arrive at Gagetown in the late spring, planners are working on ways to obtain daily rations of 20,000 eggs, 5,000 pounds of butter, 10,000 quarts of milk, 5,000 loaves of bread, 5 tons of potatoes and almost 4 tons of fresh meat.

These requirements would be provided by New Brunswickers. But there is never a word in a complimentary way. Yet they are still seeking co-operation.

I am now going to turn to another matter for just a few moments. There is the trans-Canada highway which is being built in the province of New Brunswick. We all know that highways are exclusively under provincial jurisdiction, but this government saw fit to pay 50 per cent of the cost of the trans-Canada highway. Until it was brought to the attention of the provincial government of New Brunswick most vigorously, it was utterly impossible for a Liberal to get a job on the trans-Canada highway, though we were paying 50 per cent of the cost here as the federal government. It was a long uphill fight to get one single Liberal work on that highway.

If the hon. member for Saint John-Albert considers that to be co-operation, I may say that I do not. These people want co-operation when they are looking for something. It is all take and never give. That is exactly the way I have found them to be. In my own county I will say that road work was carried on under exactly the same conditions. It is an unpardonable sin ever to have voted Liberal. If you ever voted Liberal, you can go hungry; there is just no work for you. Those are the people who ask others to co-operate. That is the approach they make.

I am going to use this one other illustration and then I shall be through. In a sincere effort to distribute the wealth of this country equitably and fairly, this government paid to the province of New Brunswick, under the federal-provincial tax rental agreement, during the past fiscal year approximately $18 million. That is more than a third of our total revenue. At this point let me say that that is $13 million over and above the amount we can ever hope to collect ourselves from the same tax sources. In other words, it is 25 per cent of our total revenue which is over and above anything we could ever hope to collect ourselves.

That money is going to the provincial government of New Brunswick without any strings attached to it. But I can assure you, Mr. Speaker, and hon. members of this house that the strings are quickly tied on it after that cheque gets to Fredericton. People are told that not a single dollar of this money can be used as far as a Liberal is concerned. We are not given any consideration in any way. It is purely for their own people. I want this to be on the record and I want them to read this. I would not make these statements if I did not know what I was talking about.

In all fairness, I want to say at this point that I know Progressive Conservative M.L.A.'s in my own province who are not at all in sympathy with this attitude that I have described but who are bitterly opposed to it. But those in the driver's seat are calling the strikes and the balls, and this is the attitude they have taken.

I hope that I shall never be placed in the embarrassing position of screening those who

are in search of work in order to find which way they voted. No one can say that it is fair to deny employment to those who, by their democratic right, voted as they saw fit. But under our provincial administration at this time, it is considered to be an unpardonable sin to have voted other than Progressive Conservative.

In my opinion, co-operation is much the same as trade. It is never a successful venture if confined to a one-way street. There should be no restrictions and there should be no barriers. If those from my province who are now seeking co-operation will approach, not with the olive branch in one hand and a stiletto up their other sleeve but with the frank and honest determination to co-operate, they will find that I am prepared now, as I have always been, to meet them halfway. Any lack of co-operation between our province and the federal government at this time is the result of the ruthless, narrow, selfish attitude taken by federal and provincial Conservative members from that province.

In conclusion I will say this, Mr. Speaker. So far as co-operation is concerned, in future my conduct will to a great extent be governed by that of my Conservative friends from New Brunswick. If they are sincere in their desire to co-operate, they will find that I am prepared to meet them halfway. But if they want to carry on as they have carried on in the past, and if our provincial government want to carry on as they have carried on in the past, there is no chance of co-operation.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to make a few comments on what happened in this house yesterday afternoon. I think all hon. members will agree that we had one of the most interesting afternoons that we have had in the House of Commons for a long time. It was delightful; it was entertaining; it was a top-rate performance.

The first two speakers or, if I may call them that, the principal speakers during the afternoon were certainly in top form. We were pleased to see the Leader of the Opposition (Mr. Drew) in such vigorous good health once again. Whether or not hon. members in various quarters were in agreement with what he said, the way in which he said it was enjoyed by all.

Similarly, I think we must extend a word of compliment to the Minister of National Health and Welfare (Mr. Martin). Realizing that his speech was made immediately after the speech made by the Leader of the Opposition, I believe we can agree that he did quite a good job of debating.

[Mr. Stuart (Charlotte).]

But, Mr. Speaker, after one has said that, and when one looks back on the day's performance, one cannot do otherwise than ask the question: Where were we when it was all over? I ask that question both with respect to the speech made by the Leader of the Opposition and with respect to the speech made in reply by the Minister of National Health and Welfare.

For the most part, these two speeches dealt with the dominion-provincial conference of 1945 and with the consequences that flowed or failed to flow from that conference in the intervening years. The Leader of the Opposition spent most of his time seeking to justify whatever stand it was he claims he took at the conference in 1945. He spent a great deal of time castigating the government. But I listened in vain for any statement from him as to where he and his party stand on the important issues that were raised at the dominion-provincial conference of 1945 and which, as a matter of fact, are not yet finally resolved.

It seems to me that the country has a right to expect from the leader of Her Majesty's loyal opposition not only the criticism of the government which it is the responsibility of that leader to render but a statement as to where he and his party stand on the issues of the day.

But I suggest, Mr. Speaker, that the same criticism must be levelled at the Minister of National Health and Welfare (Mr. Martin). He made a speech, some parts of which I want to analyse in a moment, which in the main had to do with the past. It was an attempt to tell us that from his point of view the government has implemented, as he alleged, to the extent of two-thirds the proposals made by the federal government in 1945. It can be said for him that he at least, because he was talking about the 1945 proposals, found it necessary to refer to a number of important issues that are still before the country, but he did not tell us where we go from here. He did not tell us what the federal government proposes to do about those issues which as yet have not been finally or satisfactorily resolved.

So, Mr. Speaker, what I said about the Leader of the Opposition I must also say about the gentleman who spoke for the government yesterday, namely, that I think the people of Canada have the right to expect from people in these responsible positions not just an attempt to justify their past but a statement as to what their position is with regard to the future.

The Minister of National Health and Welfare indulged in a most intriguing bit of arithmetic. I note that the hon. member who

preceded me questioned the arithmetic of another member of the house. I must certainly question the arithmetical processes which went on in the mind of the Minister of National Health and Welfare yesterday.

Mr. Macdonnell: He is a philosopher, not an arithmetician.

Mr. Knowles: Then he certainly got out of his field. I thought he was a lawyer. At any rate, he stood up yesterday and said that two-thirds of the federal government proposals made to the dominion-provincial conference in 1945 had been implemented. He set out to try to prove the assertion that the program had been implemented to the extent of two-thirds. In the course of that attempt he did at least refer to issues which were important in 1945 and which are still very important today. It is those issues to which he was called upon to refer that I feel call for a statement of intention and policy on the part of the government and the Leader of the Opposition.

First of all, the Minister of National Health and Welfare referred to the payments made to the provinces in return for the rental of certain tax fields. He made reference to the figure in the green books of 1945 to the effect that the payments in 1944 would have been $206 million whereas in the present year the amount to be paid is $320 million, and on the basis of that figure he suggested that the federal government has exceeded what it promised in 1945. I asked an innocent little question as to whether or not he had these figures in constant dollars. He said he did but he did not take the time to give them.

The fact of the matter is that the statement in the green books that the amounts paid to the provinces in 1944 would have totalled $206 million is in a column at the top of which it is made clear that this amount was based on an assumed gross national production of approximately $12 billion. As everyone knows, the gross national production today is twice that figure or more. Likewise, the value of the dollar is about half what it was in 1944 or 1945. I suggest, therefore, that the $360 million being paid today should be compared not with the $206 million figure suggested in the green books but rather should be compared with a figure twice that amount, namely, $412 million. On that basis the implementation of that aspect of the green book proposals is to the extent of about 77 per cent.

So far so good, Mr. Speaker. On that item the percentage of implementation is a little higher than the 66⅔ per cent indicated by the Minister of National Health and Welfare. I say so far so good. That is the only point on which the two-thirds figure is even reached. The Minister of National Health and Welfare then referred to the old age pension program. He pointed out that the 1945 proposal to the provinces was that a pension of $30 a month be paid to everyone 70 years of age and over without a means test, paid in full by the federal government, and that a pension of $30 a month be paid to those between 65 and 69 on a means test basis financed fifty-fifty between the federal government and the provinces.

He proceeded to jump right from the making of that offer in 1945 to the present program, completely forgetting of course all the prodding and agitating that was necessary in the meantime, completely forgetting the fact that there was a committee of both houses of parliament which dealt with this matter and made a report on the basis of which legislation was finally introduced in 1951, which became effective only in 1952. But without going into that, may I point out that the Minister of National Health and Welfare proceeded to try to tell us that since there was now an old age pension program almost identical with what was offered in 1945, except that the figure is $40 instead of $30, the government is doing better than it proposed in 1945.

Again, Mr. Speaker, there is that innocent little question of mine about constant dollars. Surely the Minister of National Health and Welfare knows that $40 in 1955 cannot be called more than $30 was in 1945. If the government is going to claim today implementation of what was offered in respect of old age pensions in 1945, the figure should be at least $60 a month, if not quite a bit more. I suggest to the government that this is one of the points on which the nation has a right to expect a statement at the present time. It is not good enough for the government to boast of what has been done in the field of old age security. Far too many of our people are suffering, particularly those who only have the $40 a month on which to live. After all, $40 today would be equal in value to $20 a month in 1944 or 1945.

I call upon the Minister of National Health and Welfare not to delight us as he did yesterday with a speech that boasts of the past but tells us nothing about the future. Rather it is his duty to indicate to the house when steps are going to be taken to increase the amount of that pension. I suggest that there is a case where at the most the government has implemented—and only under pressure at that—its proposals of 1945 to the tune of 60 or 65 per cent, if you look at it in terms of constant dollars. I move on to the question of health.

Mr. Harris: Do you make it only that? I thought two-thirds of 60 was 40.

Mr. Knowles: It depends on the exact value of the dollar. If the dollar has only gone down 50 per cent it would be the exact two-thirds that the Minister of Finance (Mr. Harris) seems to want to make it at this point. I do not mind giving the minister that much comfort. For purposes of this analysis I will say that in terms of the first item we were talking about, payments to the provinces, the implementation is of the order of 77 per cent, and that with respect to old age pensions the implementation is of the order of 66⅔ per cent.

Mr. Harris: On the basis of your argument.

Mr. Knowles: But remember that the minister's colleague said yesterday that the government had implemented the whole program to the extent of two-thirds. There are several other items on which the score drops very low.

The next item is health. Even the Minister of National Health and Welfare had to admit there was a terrible gap there. Even he who, like no other minister on the other side, can boast of what he claims the government has done, had to say on at least two occasions, "with the exception of health insurance". And what does that exception amount to in terms of this arithmetical calculation the minister was making yesterday? In the green books of 1945 the proposal on the part of the federal government concerning health was for $150 million a year, and that was to include what is now in the health grants program and the federal government's contribution to a nationwide program of health insurance.

Apart from the fact that the major item, health insurance itself, has not been implemented at all, and just looking at it from an arithmetical basis in terms of dollars, we have an implementation there of about $30 million or $31 million a year compared with the 1945 proposal of $150 million a year. Oh, I know the Minister of National Health and Welfare said yesterday that the government now stands committed to an annual contribution under the health grants program of $48 million. But he knows, and the Minister of Finance knows, that that is only a paper commitment in the back of the book of estimates which, when it comes to paying it out, amounts to only $31 million a year. The reason for the difference of $16 or $17 million is in what is sometimes called a shortfall, due in part to the fact that these are commitments the federal government is prepared to make, but they are on a matching grants basis. If the provinces are not able to take them up, of course, that money does not have to be paid out. The actual amount of money provided for the health grants program this year is thus just over $31 million.

Even comparing that $31 million with the $150 million of 1945, without worrying about constant dollars, you have an implementation to the extent of only a little over 20 per cent. If you look at it in terms of constant dollars, it is an implementation of only 10 per cent of what was promised in 1945. Remember that these promises with regard to health services and health insurance in 1945, while they were based upon cost figures which would be greatly extended today, nevertheless had as their objective the provision of full and adequate health and hospital services for the people of Canada. The green books, and I will not read them again today because I have read them often, contain some of the finest statements one could find anywhere as to the desirability of a health services program and nationwide health insurance. The purpose was not to just make a stab at the problem. The purpose was to provide full and adequate health coverage for all our people. In terms of that, in terms of constant dollars, in terms of the cost today, we have an implementation to the extent of about 10 per cent. Remember, so far as health insurance itself is concerned, the implementation to date is zero.

The Minister of National Health and Welfare also had to admit in his summary yesterday that, with regard to the promise of 1945 that the federal government would take full responsibility for the employable unemployed, nothing has yet been done. Oh, there is the offer, the proposal or suggestion or what have you that the Prime Minister (Mr. St. Laurent) made to last week's dominion-provincial conference, but as yet nothing has been done with regard to that. So far as the proposal of 1945 is concerned, so far as implementation goes, and that is what the minister was talking about yesterday, the extent is zero.

Likewise, the Minister of National Health and Welfare also admitted yesterday that there was another gap. He admitted that so far as the timing grants are concerned, those public investment programs that were to assist with the development of the country so as to avoid unemployment, nothing had been done. Again the extent of the implementation, so far as that aspect of the 1945 proposals is concerned, is zero.

Now, let us look at them all, Mr. Speaker. I shall take the figure the Minister of Finance

wants me to take in one case, even though I think it is a bit high, and here they are. So far as payments to the provinces in return for the rental of certain tax fields are concerned, the implementation is about 77 per cent. In the field of old age pensions, the implementation is at best 66⅔ per cent. In the field of health, in terms of constant dollars, the implementation is 10 per cent. In the field of federal responsibility for the employable unemployed, the implementation is zero per cent. In the field of timing grants for the development of the country and for public works to avoid unemployment, the implementation according to the minister himself is zero per cent. Now, how he adds up 77 per cent, 66⅔ per cent, 10 per cent, zero per cent and zero per cent and arrives at two-thirds is an arithmetical computation which, as the hon. member for Greenwood (Mr. Macdonnell) would say, only a philosopher could achieve. Actually, it is a very meagre showing.

So, Mr. Speaker, what we had yesterday was a wonderful debate. Nobody went to sleep, and we all enjoyed it from start to finish. But in the end, all it amounted to was an attempt on the part of the Leader of the Opposition to justify whatever stand it was he took at the conference in 1945, and an attempt on the part of the Minister of National Health and Welfare to tell us that the government had implemented its proposals to the extent of two-thirds when, as I have just demonstrated, such is not the case. However, yesterday's debate did have this advantageous result. It did force the Minister of National Health and Welfare to discuss these five subjects and bring them out in the open. I submit they are five of the most important subjects facing the people of Canada at the present time. What I call for, even if it means we have to have another speech from the Leader of the Opposition and another speech from the Minister of National Health and Welfare, is a clear statement by spokesmen for the older parties in this house on these important issues.

So far as we are concerned, we feel that federal-provincial taxation agreements should be worked out; that they should be on a basis that will provide for unity in this country; that they should be on a basis that will make possible the redistribution of the wealth of this country, so that it will get to Canadians in proportion to the extent to which they produce it and in proportion to their rights as Canadians from one end of Canada to the other to a decent standard of living. In the field of old age pensions, and pensions for the blind, we feel that the amount should be increased to not less than $60 per month. This and other improvements in our old age legislation should be made right away.

In the field of health we contend that here is one of the most important domestic issues facing our people, and that a nationwide program of health insurance must not be delayed any longer than October of this year when the federal-provincial conference is held. I call upon the leaders in all parties to make it clear where they stand on this issue. I call upon the Prime Minister not to remain satisfied with the statement he made in the election campaign of 1953. At that time he seemed to rely on the fact that there were only one or two provinces that seemed to be asking for a health insurance program. The picture has changed since then. The picture was changed somewhat last week. We know from what happened in public that four or five of the provinces are now interested in a health insurance program. If we knew what went on behind closed doors on Wednesday of last week, it might turn out that many more than five are interested in a program of this kind. I call upon the Prime Minister and the Minister of National Health and Welfare to have done with this business of reading us statements about the past. Liberal lore is full of them, right back to 1919. What we want to know is where the Liberal party stands on health insurance today.

In the field of unemployment we feel that, until such time as steps are taken to bring about full employment, it is still true, as was stated by the Liberals in 1945, that full responsibility for the employable unemployed should be taken by the federal government. In the field of what was referred to yesterday by the Minister of National Health and Welfare as public investment timing grants, we feel that it is the responsibility of the federal government to launch public works on a vast scale for the development of this country, for the elimination of unemployment, and for economic progress so that we might have a nation in which there is well-being and abundance for all our people.

I have tried to do what I suggest the two major spokesmen failed to do yesterday. They talked about the past. They tried to justify their respective positions. They did not tell us where we go from here on the important issues to which they referred. I have stated where we stand on these five major issues, and I believe the people of Canada have a right to know where the other parties in this house stand on these same important issues.

(*Translation*):

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, on April 5 last, the new Min-

ister of Finance (Mr. Harris) submitted to the Canadian people his first budget for the fiscal year 1955-56.

Upon reading that speech every one of us was utterly confused in our attempts to discover just where genuine tax relief could be found that would ease the burden of the average taxpayer and especially that of the workingman.

I do not see any point in discussing the matter any further. That budget, like all previous ones, tends to glorify the government in power rather than ease the burden of the poor taxpayer.

Like most Canadians, I would have preferred to be told what the government meant to do in the field of dominion-provincial relations, a matter the importance of which cannot be minimized, because on an equitable solution of that problem, a solution fair to the provinces, or on the centralization of all revenues in the hands of the central government depends the life or death first of the provincial governments and second of that great Canadian charter which we call the British North America Act.

As a result of the aroused public opinion, but especially because of the heroic resistance of the province of Quebec, the Prime Minister finally agreed to call together the representatives of the ten Canadian provinces in order to draft the necessary agenda for the talks scheduled for next October.

The federal Liberal government, obviously embarrassed by Quebec's autonomist attitude, is all at sea. Its plans to centralize all provincial powers in the hands of the federal government having failed almost completely, it has become worried to the point where it now wonders what will become of the Liberal government in view of so many contradictory stands. Its shameful bargaining has not given the expected results, and government circles are now wondering what scheme would best enable Ottawa to hang on to the greater part of provincial revenues, revenues that they went out to seek sometimes by guile, sometimes by compulsion and sometimes even by blackmail.

I should like, Mr. Speaker, to review briefly the main events of the past few years in this field which is of vital importance to the survival of responsible governments in Canada, and to show the disloyal and objectionable tactics used by the government in power to achieve its shabby purpose.

On the occasion of world war II and in the face of the danger that threatened all the free nations of the world, the central government had to spend colossal, fabulous amounts which were claimed to be necessary for the defence of our territory and for the salvation of the world, of civilization and of Christianity.

Not only did all Canadians make untold sacrifices, even to immolation on the altar of democracy, but for several future generations their earnings and the nation's were staked on the outcome. In the face of that crisis, we can proudly say that every Canadian faithfully did his duty and contributed substantially to the preservation of peace in our country.

It is however recognized that the governments which administer the affairs of a nation in wartime, in a war such as the one we went through from 1939 to 1945, are short-lived and normally overthrown when the war comes to an end.

Knowing what all the consequences would be, the Liberal party used every imaginable means to cling to power, that power in which it revels, representing as it does a perennial source of security for all of its members and for large numbers of its most devoted followers.

Suddenly a brilliant idea came to the mind of a corporation lawyer who, because of his centralizing outlook and the blessings of the late Mr. Mackenzie King, had become minister of justice with a formal promise that he would accede to the leadership of the Liberal party and, thereby, become prime minister of Canada.

In order to ascend with such suddenness the golden or red steps leading to glory and to the Liberal party honours, a Canadian belonging to a minority group must of necessity abdicate certain principles to which he had until then been devoted, and renounce, as it were, his freedom of speech, so as to become the screen and the instrument of the majority—

(*Text*):

Mr. Lesage: Mr. Speaker, I rise on a point of order. The hon. member for Quebec West (Mr. Dufresne) is now saying that the present Prime Minister of Canada (Mr. St. Laurent) abandoned his principles in order to become the head of the Liberal party. I do not believe that that is parliamentary language, and I submit the hon. member should withdraw what he has just said.

The Acting Speaker (Mr. Applewhaite): I have not, as both hon. members know, been able to follow what has just been said by the hon. member for Quebec West. I am sure

he will appreciate that personal charges of, not exactly insincerity, but improper motives, are not permitted in the House of Commons, in respect of any member of the house. Perhaps I might express the hope that the hon. member, in his criticism of the Prime Minister—and he has the right of course to criticize the Prime Minister's policies—has not imputed improper motives; and I would be glad, as I am sure would hon. members, to have his assurance on this point.

(Translation):

Mr. Dufresne: If the rules of the house do not allow me to use expressions like the ones I have just used, I am prepared to withdraw them, and do so generously. Let me simply say, instead, that when a French-speaking Canadian becomes prime minister of Canada, he must needs make concessions like those which the present Prime Minister has made to the majority which surrounds him.

The first responsibility entrusted to the then new minister of justice, who had been dubbed leader of the French Canadians of the province of Quebec, since he was assuming this position as successor to the late Right Hon. Ernest Lapointe, was to secure willingly acceptance of temporary mobilization, permanent mobilization and then conscription.

In spite of a quarter of a century of Liberal propaganda against that measure, in spite of all Liberal solemn promises and unparalleled violent outbursts against those who were then being referred to as "those damned Tories", causing my fellow countrymen to forget that, even though the Conservative government of 1917 was headed by the late Sir Robert Borden as prime minister, his coalition cabinet was nonetheless made up of a Liberal majority; in spite of the most sacred promises made to Quebec electors, particularly in view of the fact that 90 per cent of them had refused to relieve Mr. Mackenzie King of his promises, a whole past was repudiated, and people whose only fault had been to believe in the sacred word of the Liberals, who had so often misled them, were being pitilessly harried and violently pursued by objectionable means.

Although that campaign, which had been skilfully launched and led by the present Prime Minister, met with such poor success in Quebec, he nonetheless reaped his reward.

On the other hand, those who stood their ground and respected their sacred commitments were compelled to withdraw from the ranks of the Liberal party for insubordination and lack of party discipline. Two of them suffered; one Mr. P. J. A. Cardin died of grief, a victim of the treachery of those he had served so well for a lifetime; the other, the hon. member for Quebec South (Mr. Power), to whom I pay tribute for his dignity, had to leave the cabinet and, ever since, has had to sit as a private member of the house.

In view of the way the province of Quebec was betrayed, my French-speaking countrymen openly and strongly asserted their resentment for those who had so odiously misled them and they were determined to take sweet revenge at the first opportunity.

However, still thirsty for power, the Liberals thought that they would have to find a way of appeasing those people who were obviously dissatisfied. To what trickery should they resort to make them forget their repudiations and their treachery? They had it in their bag. Although all provinces, and especially the province of Quebec, had been promised that the revenues they had agreed to surrender to the federal government were for the duration of the war only, the time had come to abuse their good faith and to refuse to hand them back the essential sources of revenue needed to meet their obligations and ensure their survival.

I repeat, Mr. Speaker, that they had found a way to go about it. Although a person who borrows money and refuses to give it back to the lender would be accused of theft and condemned as a criminal, the Liberal party, scoffing at the law, and thereby setting a shameful example, decided not to give back the money collected from the provinces, I would even say under false pretences, and decided to keep it, in order to appease the people with social legislation, for which they now take all the credit, and which would enable the party to win future elections.

And here let me state at once, as a warning to those who might be tempted to do so because I know that some people are careless with the truth, not to construe my remarks as meaning in any way that the member for Quebec West is opposed to social legislation. My record proves the contrary. All the social legislation enacted by the Quebec government has been brought about since the death of the Liberal party in our province and I have been one of those who, modestly but sincerely, requested that legislation, having taken part in all electoral campaigns against Liberals in my province for the past 25 years.

Mr. Lesage: Mr. Speaker, would the hon. member permit a question?

Mr. Dufresne: Mr. Speaker, I should like to proceed undisturbed with my speech and if—

Mr. Lesage: I was just going to ask—

Mr. Dufresne: Mr. Speaker, I would like to proceed with my speech without interruption, and I ask the minister if he would kindly be seated.

Mr. Speaker: Order. The hon. minister wishes to put a question to the hon. member for Quebec West who, at the same time, says that he wants to proceed with his speech without being interrupted. So!

Mr. Lesage: It is because he had forgotten—

Mr. Dufresne: Mr. Speaker, I do not want to be compelled to reply to a lot of interruptions.

Mr. Lapointe: Where were you at the time of the by-election in Beauce?

Mr. Dufresne: Mr. Speaker, I want to assert before all Canada that the Liberal party, which boasts of administering the federal budget so as to give the people all kinds of social legislation from which it benefits, is shamelessly misleading the Canadian people.

True, it is paying family allowances, distributing old age pensions; it is contributing by grants to public health and education; all that is true. But what is even truer and what the people should know, is that the federal Liberal government is being generous with money that belongs to the provinces, money it has taken away from them by means which the rules of the house do not permit me to qualify; money which it refuses to hand back, in spite of the most solemn promises which are today being disregarded in the same way that Hitler in 1939 disregarded his agreements with Poland. To sum up, it is scattering with lavishness money which does not belong to the federal government but which, to use the expression of Liberal senator Jacob Nicol, has been stolen from the provinces.

The proof, Mr. Speaker, that such social legislation has no other purpose than to secure the votes and the confidence of the Canadian people is that during all the elections that have been held since the end of the war, the attention of the people and of the electors has been deliberately turned away from the actual problems of an administration which is gradually upsetting our economic stability. The only matters discussed have been those that can provide certain classes of society with financial advantages which, I repeat, are made possible by the money taken away from the provinces and which they refuse to give back to them. Today, as a result of an inconsistent administration, that same government, responsible for one of the worst unemployment situations which our country has known, is cynical enough to refuse to live up to its responsibilities. When in 1945 unemployment insurance benefits were established—and the worker is entitled to those benefits because he is sharing the cost with his employer—the federal government undertook to assume responsibility for the consequences which could result from an unemployment situation such as we are facing today.

While at this very moment, more than 700,000 Canadians are being crushed by the weight of their misery and cannot find employment, while those unemployed are growing restless and are crying for work to provide for their needs and for those of their family, we are witnessing here, Mr. Speaker, a sad and shameful performance.

We see the Liberal government refusing to assume the responsibility to which it has committed itself; it is playing football in a brazen, daring style, thereby adding to the grief and misery of the unemployed.

Now that more than ever the time is ripe to do something to prevent Canadians from going hungry, our strong protests are being laughed at. What is being done by those who truly have a sense of honour and who have at heart the welfare of the Canadian people?

While in thousands of homes people are going hungry, while poverty and hardship have invaded those homes, while in those same homes small children are suffering from the lack of basic necessities and are undernourished, while we are demanding for them not abundance but at least something to prevent them from starving to death, we are given the pathetic performance of Liberal members—most of them elected by those unfortunate unemployed—laughing at our demands. Mr. Speaker, they are showing by their attitude towards the unemployed an utter contempt which will be remembered, I am sure, at the next general election.

The Liberal government, now that it must face the sad and shameful fact of unemployment in a country having unlimited resources like ours, refuses, I repeat, to recognize its responsibilities. It wants others to share that burden to such an extent that they will be unable to agree, so that once

more it will be in a position to cast upon others the blame it does not have the courage to accept or to face.

Have you ever seen a more inconsistent government, more impudent to say the least, than the one which is now scuttling the future of our great country?

Not satisfied with collecting practically all the country's revenue, thereby depriving the provinces and municipalities of the means necessary to their administration, it is now shirking its duty and the responsibilities it had agreed to assume. The Liberal government in Ottawa wants to make the Canadian people believe that assistance to the unemployed is the responsibility of the provinces and municipalities.

Can you imagine more impudence on the part of a government? Cynicism goes so far as to say that although the matter is the responsibility of the provinces and of the municipalities, the government is nonetheless willing to grant generous assistance. What generosity, Mr. Speaker, with money that does not belong to us.

I repeat what I have already said, unemployment is entirely a matter for the federal government to deal with. I therefore urge the government to give it the immediate attention it deserves. Let us forget about conferences and political football games, and hasten to feed the hungry. Petty political interests have never done any good to the people. I therefore insist that the government forget about security of power, at whose altar it worships, and look instead to the needs of the people for whom the word security has unfortunately lost all meaning. Let the government stop acting with a view to winning elections. That is not the proper objective of a political party; nor does it agree with the definition of the word democracy. May I remind the Liberal party that democracy means government for the people, and not party security!

Let us take a look now at the situation facing the federal Liberal party and into the reasons why it clings to its policy of centralization. Why is the party acting in such a way as to prevent the provinces from recovering those sources of revenue which were borrowed from them? Why is it bent on conserving them at any cost?

Because the provinces, if these sources of revenue were handed back to them, would naturally have more money—and by the way, is it not theirs?—and then they would be in a position to dispense benefits in the fields allotted to them by the Canadian constitution.

If the provinces recovered their own money, the federal government would have less and could not therefore continue to pay for the social legislation it has introduced with somebody else's money. As a result, the Liberals could no longer brag to the electors, because they would automatically be deprived of their platform. They would have to tax, and everybody knows that that is hardly popular among the people who are already too heavily burdened with taxation.

I believe I have sufficiently demonstrated, Mr. Speaker, that every irresponsible measure brought forward by the government was by no means directed to meet the needs of the people, but solely to win elections and to remain in power.

Again I say to the government: you are shutting your eyes so as not to see, and closing your ears so as not to hear that in Quebec city, more particularly in my riding, destitution and poverty have long since made their appearance and extend into the constituency of Quebec East, which the Prime Minister represents in this house.

What is the Prime Minister waiting for? When will he deal with this situation which cannot be tolerated any longer in his native city? On behalf of mothers and fathers overcome by poverty and dire need, I ask the Prime Minister in particular to show at least a bit of compassion and come to the aid of those unfortunate people! I urge the Prime Minister to give these hungry and ill-clothed children some solace and comfort. They are part of our human capital, the nation's future, and it is a crime to contribute to their slow and painful extermination.

Before looking for a permanent solution to the unemployment problem, which brings disaster to our homes and endangers the future of Canada, let us grant temporary assistance through the immediate implementation of the works project I have been asking for in this house for more than a year.

Quebec city and the surrounding area being the section of the country most affected by unemployment are clamouring for the public works I have been requesting ever since I was elected to this house.

Not only is the destitution of the unemployed disregarded, not only are they left without any means of livelihood, but the entire population of Quebec is allowed to be slowly poisoned by the St. Charles and Lairet

rivers, which keep giving off their sickening stench, a constant hazard to the health of our fellow citizens.

What is the Prime Minister waiting for before he takes action? This is a most urgent problem and I have no doubt that if the mayor of Quebec city is here in Ottawa today, it is for the purpose of asking that the unemployed be given work. Once and for all, let the Prime Minister rid us of those open air dumps and sewers, which are a shame and a disgrace to Quebec city, and also, I repeat, a constant danger to public health.

Mr. Lesage: Mr. Speaker, I rise on a point of order. I wonder if the hon. member uses parliamentary language when he says that it is unworthy of the Prime Minister to do this or that. The hon. member said a moment ago that it was a crime for the Prime Minister to act in such a way. I wonder if all this is parliamentary language.

Mr. Gauthier (Portneuf): It is quite indecent.

Mr. Dufresne: I have never said that the Prime Minister was a criminal. I did not mean either that he was unworthy. All I said, and say again—I hope the minister is listening closely this time—was that, if the Prime Minister's residence happened to be near those foul sewers, in his county, instead of on Quebec heights, on Grande-Allee, in Quebec South county, he would soon realize that it is unworthy of a prime minister to let human beings inhale this noxious stench.

Mr. Lesage: That is what I mean.

Mr. Dufresne: I did not say he was. I mean that if he were there, he would realize that.

Mr. Lesage: It's a smelly interpretation.

Mr. Dufresne: If the minister were residing in that area, instead of the attractive part of the city, on Citadel heights, he would find out that the smell is not altogether pleasant and he would probably make representations to the cabinet and ask the Prime Minister, on behalf of his electors, to rid them of these open sewers.

Once again, I want to state the general feeling of our workers. These good workers are not asking for handouts or for direct relief from the government. They have inherited from their forefathers their industry and they want to pass it on to their children and their children's children. They want to have the satisfaction of earning their daily bread, and that of their family, by the sweat of their brow and by making use of those working abilities which Providence has given them.

Perhaps I have been a little harsh on the government and the Prime Minister, but I feel it is about time someone stood up in this house and spoke on behalf of the hungry. This is no time for flowery speeches.

Some hon. Members: Ha! ha!

Mr. Dufresne: Mr. Speaker, do you hear those intelligent guffaws from representatives of people who are now writing them hundreds of letters each day, asking for something to eat. This is no laughing matter.

Mr. Lesage: It is permissible to laugh.

Mr. Dufresne: To me, those guffaws of the Minister of Northern Affairs and National Resources are ludicrous and unseemly. One would think he had taken leave of his senses.

Mr. Lesage: Mr. Speaker, on a point of order, I don't consider it unseemly to laugh at a member who is having a good time indulging in clownishness in this house.

Mr. Dufresne: I thank the hon. minister for his statement. At a time when the government is being asked to feed the hungry, and to undertake work projects so that there might be bread on the tables of the needy, the hon. member for Quebec West is said to be indulging in clownishness. I take due note of that remark by the minister, and I hope that newspapers in the province will feature in bold headlines those very words of the Minister of Northern Affairs and National Resources who, unfortunately, for a moment, has just lost his bearings. For the gratification of my hon. friend, I will merely say that I have perhaps been somewhat hard on the government and the Prime Minister—

Mr. Boisvert: Not at all!

Mr. Dufresne: Not too much?

Mr. Boisvert: No, no. Keep it up!

Mr. Dufresne: I am glad to know that the hon. member for Nicolet did not feel involved.

Mr. Lesage: Knowing where it came from—

Mr. Dufresne: But, aware as I am that it is time something was done about it, I am speaking on behalf of the hungry. This is not a time for rhetoric— and I hope I have not been guilty of any—but it is a time for action, and I made these remarks knowing

that, as a member of this house, I was doing the duty I undertook to fulfil.

Mr. Speaker, if the government votes millions to assist other nations whose economy needs restoring, and to prevent their enslavement by communism, I am all for it. But I am praying the Lord to mould the minds of our leaders and make them realize that, if it is their duty to prevent other nations from falling under the sway of materialistic and godless bolshevism, they will have to legislate in such a way that Canada may stop this hideous plague of communism from implanting deeper roots among our fine Canadian people.

Mr. Lesage: Will the hon. member permit a question?

Mr. Dufresne: Certainly, go ahead.

Mr. Lesage: Did the hon. member not support the Liberal party in 1945 and, more particularly, did he not take part in a by-election campaign—in the county of Beauce, I think—as a Liberal party member?

Mr. Dufresne: Mr. Speaker, I had been told so many wonderful things about the Liberal party that I thought it necessary to see for myself. I took a jaunt about that party, but was so disgusted with the things that went on that I rushed out of there and returned to the true fold of common sense.

Is the hon. minister satisfied with my answer?

Mr. Lesage: I asked, because at that time, you were criticizing on the Liberal side.

(Text):

Mr. Speaker: Before I leave the chair, may I invite all hon. members and our colleagues of the press to come to my chambers so that we may perhaps argue some of the points which have not yet been touched on.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. L. D. Crestohl (Cartier): Mr. Speaker, in rising to speak in this debate I am impelled first of all to join my colleagues in congratulating the minister on the first budget he has brought down. It discloses evidence of deep and considered attention to every phase of our economy and is almost characteristic of the minister's personality because in it he reflects cautious yet ingenious study but always with an eye to the well-being of our people. Those with a political axe to grind must of necessity, even though microscopically, seek reasons to criticize it, but I feel that deep down also in opposition hearts there is a secret admiration for the minister and his splendid budget, for which the entire country is grateful.

I should like to turn now, Mr. Speaker, to the two subjects which have principally engaged the attention of the house since the opening of the present session, unemployment and immigration. Neither of these two have by any means been satisfactorily solved. It is my respectful submission that, considered separately, it is difficult to solve them because, in my humble opinion, they are basically interdependent upon each other for solution, and since both of them seriously affect the overall national economy they are appropriate subjects for examination during a budget debate.

I therefore offer to the house some observations to indicate first the degree of interdependence of the one upon the other and then to suggest that in dealing with them jointly some progress might be made towards their solution.

I should like first of all to refer in a general way to a number of complaints that repeatedly come before parliament affecting these two subjects. We are told almost annually that a large portion of the wheat crop cannot be easily sold. The dairy farmers lack markets to absorb their produce. The coal mined in the maritime provinces is crying for customers and mines are virtually at a standstill. The lumber output for 1953 was too high for the market then available. Thousands of people are laid off by the railways, and we hear constant complaints from the struggling textile industry, as we did this afternoon from the hon. member for Waterloo South (Mr. White).

All these, Mr. Speaker, create an alarming growth of unemployment that cannot be lightly brushed off by the words "seasonal" or "functional". We should explore the basic causes of these problems and attempt to find a basic remedy.

Let us first of all examine the western farmers' quest for wheat markets. They grow much more wheat now than they did previously, although the number of farmers has not increased. This, of course, is largely due to mechanization. To sell this ever-increasing output there must be consumers at home or abroad. Satisfactory export markets are becoming more difficult to find. What then will the farmers do with the surplus wheat?

Does the house realize, for example, that every 100,000 people require 16 million loaves of bread yearly? By simple mathematical calculation it becomes obvious that sufficient people in Canada could turn the wheat growers' nightmare into a dream without having to depend on substantial foreign markets or on handout subsidies from the people of Canada.

The same applies to the dairy farmers in so far as their surplus butter, cheese and other products are concerned. More people in Canada supplying more domestic appetites and more domestic consumers of produce will certainly bring smiles to the faces of the dairy farmers. The advent of oil and dieselization is largely responsible for increased unemployment for coal miners, and cripples an industry that is already limping badly. Waves of new immigrants, many of whom may settle in the maritimes, will not only revive but will stimulate coal mining as an inexpensive fuel and restore employment for many of our coal miners.

The lumber industry, Mr. Speaker, is another poignant example of the urgent need for more immigrants. The president of the Canadian Lumbermen's Association called for a voluntary reduction—and I emphasize the expression—a voluntary reduction in output for 1954 because, he said, the 1953 production was not absorbed by the available market. Reduction in output means increased unemployment. The converse is equally true. Adequate markets mean increased production. More production provides increased employment.

Then the textile industry, we know, is suffering badly. Customers are its very lifeblood, and unless it receives a so-called shot in the arm large numbers of textile workers are facing unemployment. Does the house realize the extent to which technological advances have reduced employment in this industry? I am told that a factory's capacity, formerly requiring 100 employees working 40 hours per week, is now produced in half the time requiring approximately half the number of workers. To further aggravate the plight of textile manufacturers, it appears that notwithstanding all the legislation which we may enact it is impossible to stem the flow of American textiles into Canada. Consequently, without an export market and with the competition of low-priced textiles, there is little breathing space for Canadian manufactured textiles.

Most other industries in Canada are struggling with similar difficulties. Our markets are shrinking. Japan and Germany have now vigorously re-entered the export field. If a permanent peace is reached with the iron curtain countries, they too will seek additional foreign markets. With low priced labour in these countries we will find increasing difficulty in competing with them for foreign trade. That is a fact, Mr. Speaker, and almost all hon. members who have spoken in this debate have agreed upon this fact. We cannot, therefore, afford to ignore it. It is a hard and cruel fact. We may not like it, and we do not, yet it is one that we must seriously wrestle with.

What is the answer to dwindling foreign markets? To me there is but one answer. Markets we must have. If we cannot have them abroad we must have them at home, and these must be developed and maintained at the same rate and at the same pace with our production. Unless this is done our entire economy is seriously jeopardized. This largely explains our present unemployment problem causing the country much distress. It is my respectful opinion that providing spasmodic relief for unemployment by way of subsidies, unemployment insurance, increased public works or any form of social welfare relief is, as the Quebec premier quite properly termed it, only a palliative. They are definitely not cures. We must seek and find definite cures. To find them, Mr. Speaker, I respectfully suggest that we should meet the serious problem squarely head on. We should stop dodging it as we have been doing for years. We should nationally take a forthright look at ourselves in the mirror. We may be astonished at what we will see.

We will realize, Mr. Speaker, that our 15 million people are living at a national cost that could easily sustain a population of at least 30 million. For example, I am told that it costs about $60,000 to build an average mile of highway in Canada. It costs the United States, immediately across the border, the same amount to build a similar mile of highway. Yet, by ratio, a mile of highway in Canada services only 100 automobiles by comparison with 1,000 serviced in the United States.

The railroads offer a sharper illustration. It costs as much to build a mile of railway in Canada as it does in the United States. The figure, I believe, is about $100,000 per mile. Yet, the same mile of railway is put to much greater use in the United States than it is in Canada. Statements were made on the floor of the house that large numbers of railroad employees have been laid off. The hon. member for Winnipeg North Centre (Mr. Knowles), who is always so genuinely and extremely concerned about these matters, asked the Minister of Transport (Mr. Marler) during one of the debates, "to allay fears of

further Canadian National lay-offs". The minister explained that the officials are most anxious to hire the men, and will in fact hire them as soon as the traffic improves. Sure, the hon. member's fears might be allayed if he and the members of his party will help to provide traffic for the railroad. But they will certainly not do so by supporting a program of selective immigration, as does the hon. member for Cape Breton South (Mr. Gillis.) They will have to be more generous than that in their views on immigration.

Do they not realize, Mr. Speaker, that the lay-off is directly due to a lack of sufficient people in the country to use our expensive and costly railway systems. The two transcontinental railroads could, with present equipment or with little added rolling stock, handle at least two or three times the volume of their present traffic. This additional volume would certainly not only prevent lay-offs, but would moreover provide additional employment. Must there, Mr. Speaker, be only three or four daily trains between Montreal and Ottawa, and only two trains daily between Ottawa and Toronto or between any other similar terminals? This may be sufficient for the present population.

In the United States, on the other hand, there are trains between comparable centres every hour on the hour. We have the roadbeds in Canada. We have the rolling stock, but, alas, we do not have the traffic. If we had the population more trains would run, more people would travel, more freight would be carried, and thus many more railroad people would be employed.

The same thing applies to all our other public utilities, be it our canals, telegraph lines, harbours, air terminals or the seaway. The cost of operating these services, as well as the cost of government, defence, public works, and social welfare would also be more economically sound, following the well known economic theory that increased volume reduces cost.

The fact is that our present per capita overhead is out of proportion with that of other countries. The sooner we have the courage to recognize it, the sooner will we realize that only a greater number of taxpayers can distribute these carrying charges more equitably and to a proper ratio.

We speak with a sense of pride, Mr. Speaker, about our having astonished the world by our productive capacity. But we must realize that unless we provide consumers who absorb our production, we are actually in danger of being crippled by this industrial colossus which we have ourselves created. It seems to me that our increasing productivity, stimulated by technology and science, without adequate markets, will progressively constrict our economy and accelerate our tempo of unemployment to the point that our manufacturing needs in Canada today will require only a fraction of our present labour force to produce.

I repeat and emphasize, Mr. Speaker, our productive ability has actually outraced our consuming and marketing capacity to a point that may ultimately strangle us. It is like a spiral working its way inwardly towards the choking centre and is extremely dangerous.

Think of it, Mr. Speaker; we are just a tiny country populationwise and yet we are one of the largest producers in the world. We make nearly everything, aeroplanes, tanks, ships, locomotives, atomic products and so forth. We are one of the world's largest suppliers of aluminum, wheat, nickel, asbestos, gold and other minerals. We enjoy the reputation of having made more progress in the last 50 years than any other country in the world, and yet despite all that we have an aggravated unemployment problem.

In our position, we should be the last country in the world with this type of headache. It is not a natural consequence of our progress. Quite the contrary, it is a most unnatural one and should disturb us as to its cause. It appears to me, Mr. Speaker, that whilst we have raced ahead in every field of productivity, we have been woefully delinquent in the one thing that could sustain this development. We have failed to keep our population growing collaterally with our other levels of progress.

There seems to be an underlying fear of more people in Canada. Whether or not this emanates from labour circles I am not sure, but it does exist. In my judgment, Mr. Speaker, its very existence is a disservice to the future well-being of our country. This fear, I believe, is the basic reason for this menacing imbalance in our entire national economy.

This is indeed a painful situation, Mr. Speaker, and forebodes increasing national problems unless vigorous and courageous steps are promptly taken to remedy it. I therefore, respectfully urge that we now accelerate our activities to make up for lost time and bend every effort to return to a proper balance our growth in population with our growth in industrial and scientific development.

This urgency is abundantly supported by Canadian public opinion. I have in my files a collection of editorials and statements from the press across Canada calling for more

people. It will be most informative to hon. members to briefly review some of them, and with the indulgence of the house I would proceed to do so. I start by quoting from an article and editorial appearing in a paper on the west coast.

I quote from the *Cowichan Leader* of Duncan, British Columbia, for December 30, 1954:

> If we could wish Canada any one thing in particular for the New Year it would be a record-breaking immigration wave . . .
>
> We need immigrants. We can never develop fully without many millions more. The year 1955 is a good time to start, now that we are taking the lid off our large treasure house of resources.

And from the east of Canada, quoting editorially from the Truro, Nova Scotia, *News* of January 3, 1955:

> The case for immigration is simple. In peacetime, "New Canadians" mean enlarged domestic markets for Canadian products barred by restrictive trade practices from export markets . . .
>
> In wartime . . . "New Canadians" are a source of strength to this country's manpower resources.

Then the Kelowna *Courier* of June 21, 1954, states editorially:

> Canada needs more, not fewer immigrants; indeed it is ridiculously underpopulated at present, and this is reflected in a domestic market which is so small as to hamper both industry and agriculture. The Okanagan, for instance, would have no marketing problem if Canada had a population of thirty or forty million.

And from the Bowmanville, Ontario, *Canadian Statesman* of January 21, 1954:

> A greater population for Canada affords the solution of so many national problems, that it astounds thinkers on the subject that it is not more vigorously attacked and pursued by government on all levels.

The Hamilton *Spectator* of March 7, 1955, states editorially:

> Canada can now produce far more than our people can consume. The larger our population, the larger the Canadian market—and the more jobs and better pay.

Then the Swift Current, Saskatchewan, *Sun*, of February 10, 1954, states editorially:

> So long as immigration progresses at a snail's pace, economic independence for Canada from the vagaries of the export market will not soon be realized.
>
> Why this timidity about immigration? Surely people, and more people and still more people is the only answer to the problem of markets.

Then, Mr. Speaker, the Hon. Charles Daley, minister of labour in Ontario, is quoted in the Port Arthur *News-Chronicle* of December 29, 1954, as follows:

> Canada needs more immigrants for her expanding economy, development of her domestic market and the spreading of her national overhead over more people.

Editorially the paper continues:

> Such views are both sound and timely. Just how timely is indicated by Mr. Daley's statement that in Ontario alone, since 1949, over 350 new industries have been established by immigrants from the United States, the United Kingdom, Germany and other countries.
>
> Number one target for tomorrow in Canada should be more people.

The Montreal *Star* of November 13, 1953, reports the statement of Mr. J. D. Ferguson, president of the Canadian Manufacturers Association, as follows:

> Canadians are acting like a bunch of ostriches . . . They depend on the sale of goods to other countries for 24 per cent of their income, and Americans for only six per cent.
>
> Accordingly, Canada, to raise its standard, must either assure itself of its foreign markets and increase them, or else create a domestic market.

And from Ottawa, quoting the *Canadian Labour Journal* for January, 1954:

> With some adjusting of our economy, and a larger population, a much greater home market could be developed in Canada which would free us to a great extent from our present dependence on foreign markets as outlets for our products.

It is interesting to observe, Mr. Speaker, that much of this vast wave of public opinion some 25 or 30 years ago opposed immigration into Canada. Of course the times have changed, and the circumstances and conditions today most certainly justify this change in public opinion.

Some labour circles, however, do not go completely along with these views. They seem to prefer a slower and more selective form of immigration. They are apprehensive that immigrants would crowd the labour market. I would like to say that I would be the first to oppose any move that might be harmful to the workers of this country. In this instance, however, I do not share their view, because they seem to place the emphasis on the immediate consequences of increased immigration, while I prefer to take the longer-range view.

It is true that there may be some pockets of employment during the adjustment period, although I feel that it would not be worse than it is at the present time. But in the long run, Mr. Speaker, immigration would prove to be a great boon not only to our labour force but to the over-all future of our country whose well-being is our first concern.

There seems to be a view that immigrants may deprive Canadians of their jobs. I would like to attempt to explode this bogey. In 1953 I believe some 200 fur workers in the Montreal area were unemployed. They blamed this on the government for having that year admitted 194,000 immigrants, among whom they said there were some 200 fur workers who grabbed their jobs at sacrifice salaries. They therefore urged that immigration to Canada be stopped.

At first blush their complaint seemed to have a basis. What they did not realize however was that these immigrants were also 194,000 potential users of fur coats, since our climate calls for the use of fur coats. That, they completely forgot, or they completely overlooked. The immediate problem may have existed; there may have been some dislocation for the fur workers; but in the long run there were 194,000 additional fur coat customers in Canada, which would provide work in the years ahead for many more than just 200 fur workers.

This is so true of every other commodity produced in Canada and is abundantly confirmed by authorities on the subject and public opinion across Canada, some of which I would like to quote briefly.

The first quotation is from the *Letter-Review* of April 7, 1952—as far back as 1952—published in Fort Erie, Ontario, which states:

> Unemployment, in part seasonal, is causing leaders of labour unions to press for restriction of immigration. This is a short sighted policy advocated regularly by economic illiterates.
>
> More immigration, not less, is the cure for unemployment. Every immigrant is a new customer for the products of Canadian industry and agriculture, increasing opportunities for employment in all parts of the country.

I quote now from the Winnipeg *Tribune* of December 18, 1954, in which G. S. Thorvaldson, Q.C., president of the Canadian Chamber of Commerce, states that "experience through the years had shown that immigration creates jobs rather than unemployment".

Again I would like to quote the Hon. Charles Daley who, on November 25, 1954, is quoted in the Grimsby *Independent* as follows:

> Immigration in the long run creates work for others in Canada rather than taking jobs away from others.

And from the Amherst, Nova Scotia, *Daily News* of December 21, 1953, speaking editorially:

> The truth, of course, is that immigrants make jobs; that instead of an immigrant taking away a job from somebody born or already here, he actually makes more jobs for him.
>
> That, in its simplest form, is the case for more immigrants.

Then from the Windsor, Ontario, *Daily Star* of August 7, 1954:

> In normal times the argument that immigrants take jobs from other people is fallacious. Because they create, by their purchasing power, as many jobs as they take—or more.

Then my final quotation is from the Winnipeg *Tribune* of February 25, 1954, which contained an editorial which stated in part:

> During the past few years there has been a growing outcry from certain quarters to restrict immigration on the ground that newcomers grabbed jobs and caused unemployment. The government should ignore these outcries. The fact is that Canada needs more people to help the country develop and to provide stable markets for industrial and agricultural products.

To bulwark these opinions I should like to offer a few figures. Since the end of the war Canada has admitted over one million people. During this period we enjoyed years of reasonable prosperity, as one hon. member who spoke today clearly stated. The *Financial Post* made a survey which partly explains this prosperity. It points out that these immigrants produced a market for some 210,000 houses, 220,000 radios, 100,000 passenger cars, 100,000 refrigerators, 200,000 washing machines, besides food, clothing and everyday requirements.

There was little or no unemployment during the waves of immigration into Canada. Apparently our accelerated production is now catching up with our almost stagnant Canadian consumer market and our dwindling foreign market, and I fear that our problems will grow progressively worse until we compensate or create the necessary replacement markets.

We in Canada speak with the greatest pride of our God-given natural resources. We are fortunate to possess them, but let us recognize that the greatest natural resource of them all is not that which is buried in the ground but that which walks upon it in the form of human beings and is able to convert the buried treasures into their real national asset. Let us also realize that it is the people of a country that represent its very strength and its very life and develop its future.

What, after all, has contributed most to make the United States the world's greatest nation? Its natural resources? Or its people? It was the continuous waves of immigration between 1890 and 1910 that enabled our neighbour to the south to become the leading nation in the world; not its natural resources but its people, uniquely its people.

Therefore I urge respectfully that a courageous change in our immigration policy should be promptly and seriously considered. It should be altered from a negative to a positive approach. Our policy should direct the immigration inspectors to examine prospective immigrants with a view to finding grounds to admit them rather than to ferret out reasons to exclude them. There are thousands of prospective immigrants waiting. The department has the applications but processing is delayed because policy does not permit the officials to deal with them. What a pity!

Among those who are waiting are many highly trained technicians, skilled craftsmen

and families of substance, but they are excluded because they do not yet fall within the so-called admissible categories. These must be changed. We should stop playing around with categories and with choking restrictions and display the dauntless courage of our convictions. Additional staff should be hired if necessary to expedite processing and a vigorous assault should be made on every possible source of immigrants.

Our fast-growing country, our vast industrial potential, our advancing standard of living and our defence requirements create a voracious appetite for people. This appetite cannot be satiated by a spoon-fed immigration program. No, not by a mere selective trickle of immigrants will we meet our country's ever-increasing need for people. We need millions, not hundreds or thousands, but millions.

Our approach should frankly be that we seek and want immigrants, and if they are in good health, if they meet our security requirements and have integrating possibilities, they should be welcomed. Our immigration officials are compelled by regulations to make decisions which I know they wish were otherwise. I know they would personally be much happier men if they could say "yes" more frequently than "no". A change in policy and regulations should be made to make this possible and help produce the results we seek.

It is my respectful submission that if we are really to benefit from our vast natural resources, we should not deal with them in a dog in the manger fashion. Some countries live behind an iron curtain; let us not behave as though we have dropped at our ports of entrance a golden curtain behind which we Canadians gloat and past which no one but the select can enter.

On the other hand I am convinced that only a generous lifting of this golden curtain, together with a farsighted and courageous immigration program, will enable us to enjoy the blessings of a happy country. More people will provide an abundance of consumer markets. This will sustain an abundance of production, and this in turn will provide an abundance of employment. This program will in addition help build our defences, assist in lowering our per capita overhead cost of maintaining our ever-increasing national responsibilities, and cumulatively shower upon our country heavenly benedictions for sharing with our brethren in greater numbers the bounteous natural resources which the Almighty has placed in our trust.

Mr. Fernand Girard (Lapointe): Mr. Speaker, before going on with my speech I would like to give a friendly welcome to the new member in our corner. While he is sitting to the left he is not a leftist member. If there are any others who feel that they would like to come here, they will be welcomed. We do not accept everyone, but we need some good members.

(Translation):

Mr. Speaker, during the next few minutes I would like to raise a problem which is now stirring public opinion in the province of Quebec, a problem which only Ottawa can solve equitably.

I do not intend speaking at length on the budget, because I fully approve the judicious remarks of my colleague, the hon. member for Beauce (Mr. Poulin). As independent members of the house, we have, although with some reservations, deemed it our duty to support the present budget, because it is a step toward lowering of taxes. We regret, however, that the minister left aside other important matters, such as increasing the basic exemption for personal income tax, decreasing extravagant government expenditures, finding an efficient solution to the unemployment problem, and adjusting family allowances in conformity with the rate intended by the government in 1945 and the spirit in which they were enacted, from which they have strayed as a result of the increase in the cost of living during the past seven years. However, we believed that by supporting the new Minister of Finance (Mr. Harris), we might be able to bring him to decrease government expenditures, which are truly extravagant.

Mr. Speaker, the matter I would like to bring to the attention of the house relates to the name of the future Canadian National hotel in Montreal.

I understand that the right hon. Prime Minister (Mr. St. Laurent) and the hon. Minister of Transport (Mr. Marler) have received numerous requests from every corner of the province and even from outside, asking that the hotel be called "Chateau Maisonneuve". If my information is correct I believe that over 200,000 protests and representations have been or will be received by the Canadian National. I have personally received several hundreds of them; that is why I am rising to support the project.

Mr. Speaker, why do we want a French name for this Montreal hotel? I hardly feel it necessary to indicate any reasons here since they all seem so perfectly evident, the

point at issue being the respect due to the rights of the French-speaking citizens of this country, within the confines of their own home.

We want a French name for the very reason, no doubt, which has prompted the officials of the Canadian National Railways to refuse it. It is clear that the company has been guilty of no excessive zeal with regard to the respect of the confederative rights of the two great races of this country.

May I add that as far as the immediate interests of the tourist trade go, a French name would certainly be preferable, financially, since it is the very French character of the province of Quebec—where this future hotel is to be built—which constitutes an attraction for American tourists.

On behalf of various tourist trade promotion groups campaigns have already been launched in order to ensure that our Quebec cities and towns retain that French character which business interests are unfortunately causing them to lose.

There is already a Queen's hotel in Montreal; a second one would create confusion. Personally, I dare say that a queen must prefer having her name honoured elsewhere than in the commercial field.

Mr. Speaker, is it not unfortunate that, on matters which may seem so unimportant, we should have to create a movement of opinion in the midst of an entire population, as is the case in relation to the name to be given to that hotel?

Why is it that in addition to their normal legislative functions, French-Canadian members must insist so often upon the respect of the rights of the French-speaking element with respect to details, perhaps, but which are nevertheless important because of their dangerous recurrence?

We may be insisting upon many matters which may look trivial when compared to the great problems which confront our nation but it must be realized that the accumulation of little injustices encroach dangerously upon the sacred rights of the French-speaking population.

French Canadians would not deserve the title of true Canadians if they did not exert themselves to remain true to themselves, thereby contributing to the enrichment of our Canadian spirit.

Imagine for one moment that a French name were to be given a large Toronto hotel; maybe then our state of mind would be understood.

Our constitution and our government acknowledge, of course, the French fact and its handsome contribution to the cultural vitality of our country, but we must fight constantly and frequently to obtain constitutional bilingualism on a bit of a cheque.

The government treats us as equal partners in the development of our country, but its public service won't give us more than 13 per cent of its higher positions.

French is one of the official languages in our country, but on the very floor of this parliament it is spoken by only a few, at the risk of not being understood by the majority.

Furthermore, in order to show that we must fight always, even though the French fact is recognized by the constitution, I quote the following from page 2 of the Montreal *Gazette* of yesterday:

(*Text*):

Decision of the Senate-Commons committee currently studying capital and corporal punishment to hear evidence from one of Canada's two official hangmen, raises new problems. The official in question, Quebec's own official executioner, is reported to speak only French.

(*Translation*):

If indeed our rights were recognized, it should read instead that as the official representatives of our bilingual country were not able to understand one of the official languages, that had caused some difficulty. As a matter of fact, the recognition of our rights with regard to bilingualism should not be practised at the bottom but at the top.

Of course, we are at home within the confederation, but it is made unbearable for us. There is always a "but" implied in a thousand details, which is perhaps unpleasant for the house, but much more so for those who suffer from them and those who have to denounce them.

There might be the temptation to apply the famous speech from Rostand's *L'Aiglon* "Not a prisoner, but"; when talking of our people. There is always a "but", which is the only real obstacle to national unity, a "but" that fathers separatism, a "but" that keeps us constantly on the defensive, a "but" that stops us from co-operating openly in the normal process of our national destiny.

It is from Ottawa that the initiative must come for the removal of this "but" that is jeopardizing national unity in this country. By asking the Canadian National Railways to agree to give a French name to a hotel being built in one of the largest French cities in the world, this government would make a gesture of fairness and national unity. Therefore, in concluding my remarks, I would like to make a personal appeal to the Prime Minister (Mr. St. Laurent) who cannot refuse his fellow countrymen not a

favour but the recognition of their rights. He cannot refuse his intervention for a measure which not only is in the interest of the future hotel itself, but constitutes a safeguard for the sacred rights of the French-Canadian people.

Mr. Robert Perron (Dorchester): Mr. Speaker, the economic slowdown in this country over the past fiscal year has been mainly due to the poor wheat crop in the west. Or so, at least, the Minister of Finance's budget speech would have us believe.

I would like to call to the attention of the government the fact that the crop in the province of Quebec has been no better. Because of constant rains throughout the summer our farmers, who have had great difficulty in seeding last fall, have had almost complete failures. I do not think it exaggerated to state that, at least in my county and adjacent counties, the crop has been just about one-fourth of what it generally is and that the grain produced is of inferior quality.

This has possibly not influenced the national gross product in as spectacular a fashion as the poor wheat crop in the west, but it has nevertheless placed the farmers of our rural counties in a difficult position. They are faced at this time with a shortage of good quality seed grain. This short supply means that the seed will cost more, so that farmers will have to spend hundreds of dollars more than before for spring seeding.

The situation is serious and many farmers do not expect to be able to sow their fields, which would be a disaster for themselves and for the economy in general.

Other members of the house have mentioned that situation, in particular the member for Bonaventure (Mr. Arsenault). The member for Bonaventure writes excellent books but sometimes makes bad speeches. He told the house about the situation in the province of Quebec on the agricultural front, but it is to the provincial government that he applied for help. It seems to me, Mr. Speaker, that he would have been wiser to put to good use the marked influence he exerts upon the federal government and ask it to take action to solve that very acute problem.

And he might have put forward numerous precedents. To mention only two cases, when Nova Scotia apple producers were heavily hit and when the western farmers needed help recently, the central government was not reluctant to grant them the help called for in such predicaments. I do not see why, when it is the farmer in the province of Quebec who needs help, the federal government should not be as liberal as it has been elsewhere, in the face of a situation which is exactly the same and which is due to identical causes.

Therefore I ask the government to provide them with some assistance, in co-operation with the different agricultural organizations of our province, either by way of loans—for our farmers do not want handouts—or by way of subsidies.

There is no doubt that the prosperity of our farmers is the very basis of the general prosperity of our country; as a matter of fact, unemployment is directly connected with and due to our agricultural recession. It will come to an end at the same time as the agricultural depression.

If you read the report of last year's operations under the Farm Improvement Loans Act, R.S.C., 1952, chapter 110, you will see that the loans to farmers, and guaranteed by the government, have gone down by $35 million in 1954. In other words they were reduced from $98 million in 1953 to $63 million in 1954, a difference of $35 million. These figures are clear enough, and show how the farmer is in need of money, either to buy agricultural implements, improve livestock, or to carry out certain building and improvement projects on the farm.

The effect of that situation is to paralyse the general economy of this country, and this is why the government should not hesitate to help eastern farmers who had a poor crop last year, in order to solve the economic problems of this country and prevent them from getting worse.

To go on with my suggestion, Mr. Speaker, I wonder if the government should not amend the Farm Improvement Loans Act so that it might be possible to ensure the loans of money needed by the farmers in the spring for their seed purchases.

The loans made to date, under this legislation passed in 1945, amount to $513 million, and the loans which the government is called upon to reimburse, according to its guarantee, amount to only $149,814, which is a very insignificant figure, that is, 1/30 of 1 per cent. This means that loans to farmers are very secure investments. They are probably the best the government could make.

At all events, if the government decided to amend the law in this way, I would be pleased to vote in favour of the amendment.

There is another question I would like to deal with briefly and which concerns the price of pulpwood in the province. It is obvious, Mr. Speaker, that the price of pulpwood is much too low when compared with the cost of paper.

The hon. member for Bonaventure suggested a minimum price of $15 per cord. Objectively speaking, being one who has never bought or sold any, I believe that the price should be much higher, in the neighbourhood of $25 or $30. When paper was cheaper, indeed much cheaper, companies paid from $25 to $30 per cord. In my opinion, such an amount would be fair to the farmers and settlers of the province. However, prices offered by the companies during the last season have been extremely low, so much so that the hon. Minister of Justice (Mr. Garson) had an inquiry made to ascertain whether there was collusion between the various companies to fix the sale price, so as to do away with competition. I congratulate the hon. Minister of Justice for having instituted that inquiry.

I am sure that this thing will be inquired into with that earnestness and that fair-mindedness typical of such inquiries.

However I should like to refer to a point which I note in the speech of the hon. member for Bonaventure, and which shows that my hon. friend was not in earnest. Here are his words as reported on page 3248 of *Hansard* for April 28:

2. I respectfully urge—

The hon. member wanted the provincial government to set a minimum price. I quote:

I respectfully urge the Hon. Maurice Duplessis, premier of the province of Quebec, and the members of his government, to adopt an order in council fixing the minimum price to be paid to pulpwood producers in the province of Quebec. Such a minimum price would have to be at least $15 a cord, delivered at a truck loading site, for the eastern part of the province.

Mr. Speaker, the Prime Minister of Canada is most assuredly one of the most learned members of the Canadian bar. With your permission—if I may be allowed to digress—I would like to point out that this year marks the fiftieth anniversary of his admission to the bar of the province of Quebec. This happy occasion will be observed in Quebec city next Saturday, at the same time as the similar anniversary of the chief justice of Quebec, and of other distinguished members of the bench and bar. Chief Justice Albert Sevigny, by the way, once sat as Conservative member for Dorchester in this house before becoming its Speaker, a position which you now occupy with such dignity and which he himself also occupied with great dignity.

I would like to avail myself of this opportunity, even though the Prime Minister is not in the house at this time, to offer him my congratulations and my best wishes for a long and happy life.

To come back to the point, the member for Bonaventure has asked the provincial government to set the price of the wood at $15 a cord. I wanted to state that he had committed a great legal heresy when he made that statement and that the legal sense of the Prime Minister must have been shocked by such a request on the part of a government member.

No doubt about it, from the legal and constitutional point of view, no government has the right to fix the selling price of a given product unless as a measure of national emergency, as was the case during the last war when the federal government fixed and froze prices, under the authority granted by the War Measures Act. Outside of that, apart from those measures of national emergency, the fixing of prices is a legal impossibility under the system which now prevails in Canada.

Mr. Arsenault: May I direct a question to the hon. member?

Mr. Perron: Not now. I am coming to my conclusion and I have only a few more words to say. You may do so when I am finished.

In my opinion, the only way to act in the matter was to make an inquiry, as was done, and besides to ask the lumber companies to increase the prices paid to farmers, prices which are ridiculously low when compared with the price of paper and those companies' financial statements. There is nothing we can do now but wait for the result of that investigation, which will be properly carried out, I am sure.

Before resuming my seat, I beg the government to do everything in its power to tackle the agricultural problem prevailing throughout the country, thereby solving the economic problem of all Canadians.

Mr. Arsenault: Can the hon. member tell me whether it is the duty of the Quebec provincial government to do something for people who sell and produce pulpwood? Second, why did the government of the province of Quebec deem it advisable to set a

maximum price for newsprint in the province? Third, why did the present premier of Quebec, the Hon. Mr. Duplessis, consider, twenty years ago, on May 12, 1935, that it was the duty of the Taschereau government to set the prices that should be paid farmers and settlers for their pulpwood?

Mr. Perron: As for the first question, Mr. Speaker, I don't think that the hon. member for Bonaventure is able to prove that the government of the province of Quebec has ever fixed the price for newsprint. I don't think he is able to produce an order in council fixing the price for pulp or newsprint in the province of Quebec.

I know that some years ago the premier of the province of Quebec asked the newsprint companies for a special rate on sales to newspapers in the province of Quebec, as he had also for the price of pulpwood. If I remember well, recently, at a convention held in the winter, the premier of the province of Quebec asked pulpwood companies to increase their price on wood bought from farmers and settlers.

I don't want to add to the discussion, but I feel that the hon. member was mistaken when he suggested that the government of Quebec was going to fix a floor price on pulpwood. That would be incompatible with free trade and the economic system under which we live.

As for the second question, I did not understand it very well. I do not remember what the premier of Quebec said in 1935. If the hon. member had a text, I might perhaps answer him. Now, under the circumstances, I must say, in the words of Lafontaine: "I was not born yet".

Mr. Arsenault: So you admit that the provincial government cannot do anything for the farmers or settlers?

Mr. Perron: I did not catch that.

Mr. Arsenault: You are saying that the provincial government will not do anything by way of increasing the price of pulpwood for either the farmers or the settlers.

An hon. Member: He did not say that.

Mr. Perron: I admit that the provincial government can recommend to the pulpwood companies to pay higher prices, but there is the free interplay of competition to be considered, when it comes to buying or selling pulpwood. The federal government has made inquiries as to whether the corporations had set up a combine to prevent competition, which could result in the increase of pulpwood prices in the province of Quebec. This is precisely what is being investigated. I also believe this to be the only legal and constitutional means provided by our economic system.

Mr. Arsenault: Does the hon. member not know that in Ontario pulpwood producers have been protected by law since 1937?

(Text):

Mr. G. H. Castleden (Yorkton): Mr. Speaker, apparently topics for the budget debate are not exhausted. It is my intention this evening to talk about the weather and perhaps to be a bit unusual by suggesting it is possible that, in this case, we may be able to do something about it. Available meteorological records indicate that over the past three years there have been some of the most astounding and unusual storms, tornadoes, floods and droughts in the history of the world. Lack of reliable information on the effect which thermonuclear explosions may have on the weather, aside from their effect on human beings, raises doubts and fears in the minds of people everywhere. People everywhere are asking for the facts, and I submit they are not getting them.

This week the Canadian prairies were visited with the worst storm on record. Reports of that storm tell of a cloud of dust four miles thick blowing into the province of Saskatchewan and meeting there a snow and rainstorm from the north with the result that the worst flood conditions in the history of that province were produced. Reports tell us that it actually rained mud there for a matter of over half an hour and that there then followed a torrent of rain which left a large portion of the province under water. The immediate losses of millions of dollars in damage to roads, bridges, communications, power lines, and individual personal losses of people in livestock, buildings and other property, are only the immediate losses. The effects on the already rain-soaked soil of that province, which depends to a large extent upon its agricultural production, are predicted by many as putting an end to any possibility of a normal crop for 1955.

I hope that the Minister of Agriculture (Mr. Gardiner), who is in his seat, I notice, is taking steps to see that under P.F.R.A. drainage crews will be working on those projects

where provincial surveys have already been made in order to help clear up the drainage situation. It should be remembered by all that the present catastrophe comes after three years of increasingly abnormal moisture conditions in that province which culminated last year in a flood and rust damage that wiped out 70 per cent of the farmers' net income.

As to the effects of nuclear explosions, it is quite natural that scientists should disagree. When man is experimenting with the unknown secrets of nature in today's scientific world, it is natural that some scientists will disagree with others as to the effects. They are going to continue to disagree until full research has been made. Our protest is that the research job is not being done. Therefore, great damage is being done to public morale and to the confidence of the people everywhere. The world needs the facts regarding the possible dangerous effects of radiation not only upon human beings but also upon weather conditions.

Professor Frederick Soddy, who is a British Nobel prize winner, is recently reported in the press as saying that he strongly denounces those scientists in the world who are saying there is no possible connection between unusual weather conditions and nuclear explosions. He is supported in this statement by another Nobel prize winner, the French physicist Charles N. Martin, who claims that among the dangers of thermonuclear explosions is the danger of not only deleterious but also permanent effects upon our climate. These men are supported by no less a leading scientist than the late Dr. Albert Einstein himself.

Surely, with the existence of the possibility of such dangers to the people of the world, an immediate independent investigation should be made by the most reliable scientific experts available. Important support for this idea of an investigation and the urgency of research was given at a conference in New York city just last month. The federation of American scientists met in New York and not only requested immediate establishment of a commission to make the investigation under the auspices of the United Nations, but they strongly urged that large scale atomic tests be discontinued until the investigation was made.

Surely, under those circumstances, Canada should move through representatives in the United Nations Organization to establish such an investigation at once. It is my belief we are about three years late now. We in this C.C.F. group demand this of the government, that until such an investigation under a competent independent scientific commission is made, H-bomb tests be stopped. We believe that such a request should be made to the United States government itself and to the U.S.S.R. through the United Nations Organization. It is important to the world.

People everywhere are always apprehensive of the unknown. Our urgent request is to ascertain the facts so far as humanly possible so that people will know the truth, and through that truth they can free themselves from their apprehensions, and act in the best interests of all.

I maintain that to permit ignorance to continue with a lack of proper investigation is criminal, is wasteful and is wrong. May I suggest to this government that if the facts later come out that nuclear tests do affect the climate and that the beliefs held by some of these scientists are correct, yet the government has done nothing about starting an investigation, then the people of Canada will rise in righteous indignation. They will be justified in doing so. If this government supports the move for the best possible scientific information by an independent commission under the United Nations, then the government will have done its duty. I maintain that that is the very minimum of its responsibility. The people of Canada demand the truth. The people of Canada are entitled to all possible information.

Mr. Irvin Studer (Swift Current-Maple Creek): While I was home during the Easter recess, Mr. Speaker, my constituents were kind enough to suggest to me that I should make a few remarks in this budget debate. I have recently come from the west. It was my privilege and pleasure, I can assure you, to ride on that crack new Canadian train of which every Canadian will be proud. It is a cracker-jack train. The first opportunity you have to ride on the new Canadian Pacific train, "The Canadian", or the Canadian National's new train, "The Super Continental", I am sure you will be well rewarded, happy and proud of this new service.

My constituency of Swift Current-Maple Creek is so large that it takes even this crack train about three and a half hours of constant running to cross it. The time passes quickly with music and all the facilities on that type of train, so that one does not find the hours too long. The surprising thing to me is that for the past 50 years the employees of the railways have had the same kind of accommodation that is now available on the new train. The brakemen riding the freight trains of this country have had vista domes on the cabooses for the last 50 years, and it took that long to make them available to the passengers on these trains. However, it

takes time to bring benefits to mankind, and I think all of us can forecast still greater improvement in Canadian train service in the future. We will have the best, if we have not already the best, train service in the world.

I think the Canadian National should be congratulated upon its window display in the Sparks street office. Since it is the jubilee year in Saskatchewan, there are scenes showing the various areas of Saskatchewan and Alberta. In yesterday's *Journal*, I believe, there was an item stating that only 25 per cent of the Canadian people leave their home province. Well, that is not good enough. If we in Canada wish to have any comprehension or understanding of what the rest of Canada is like, I think it is high time some method was provided so that we could have a closer association between eastern and western Canada, a much closer association than we have had in the past. I do not know of anything that will bind a country and a people more closely together than association, and through that association the understanding of the different people in different parts of Canada. The sooner that can be augmented, the better for all of us.

Canada is a vast country, almost several countries. The people of this country need this association more than the people of any other country of which I know. Let us this year, in this jubilee year of 1955, accept the invitation of Saskatchewan and Alberta to visit those great provinces, both of which have been associated with the Dominion of Canada since 1905. My province has created as much, if not more wealth, irrespective of whether it be mineral or other wealth, over that period of 50 years through the production of foodstuffs for mankind than any other province in the dominion. It is well worth seeing. While you are there, one particular place to visit, of course, over and above every other place, is that superior constituency of Swift Current-Maple Creek.

There are reasons for that. Every year they have one of the greatest celebrations in Saskatchewan, and it will be particularly good this year. It is the largest rodeo east of Calgary. They will give you three days of celebration, centring on July 1, that you will never forget as long as you live. Not only will you be in a position to enjoy yourself and see what has happened in Saskatchewan, particularly in the southwestern part of Saskatchewan where much of the dominion government's money has been spent—much of it has been spent for rehabilitation purposes since the thirties—but you will see that part of the country in the southwest that was believed to be in a hopeless situation during the drought and despair of the thirties.

As I mentioned before, no other area has recovered as southwestern Saskatchewan has. And we want to show the people of Canada where their money has gone and what it has done so they will know, as a result of that, and from that experience, that the same remedies can be applied anywhere, should similar conditions exist at any time in the future.

Now, that area is suffering some reverses today, because we know that in some areas of Saskatchewan there is too much moisture. But seldom has that situation existed in southwest Saskatchewan. Indeed, we are not even interested down there in Selkirk rust-resistant wheat, because we are always placed in a position—at least we think we are—that the only time we get a crop in southwest Saskatchewan is when the rest of the country is all rusted out. And when the rest of the country is not rusted out and has only sufficient rain to obtain a crop, then we have a crop failure in southwest Saskatchewan. Because for years we have been deficient in moisture.

Everyone will sympathize with the people and the farmers in Saskatchewan who have suffered heavy losses. But certainly there is nothing to despair of, because Saskatchewan can recover as no other province can. Its people have had to be experienced in knowing how to recover.

I noticed in yesterday's issue of the Regina *Leader-Post* that the province is ready to lend its assistance, and I am sure the dominion government will never be outdone. It never has been outdone by any organization or any government in providing assistance for all the people of Canada in every possible way, when need has arisen. And I am sure the dominion government will do so again—in fact, it has already offered—and will give service when it is needed in Saskatchewan.

Then, in addition to what you will see in Swift Current-Maple Creek, we have also some points of historical interest there. We had the north west mounted police at Fort Walsh in the Cypress hills in 1883. If it had not been for the mounted police, history would have been different in Saskatchewan, because after Custer's massacre in Montana on the Great Bend, 5,000 of the Sioux Indians moved north into Canada; and a handful of north west mounted police, honoured today as they were then, kept that band of Indians under control.

Swift Current was the stopping point of the troop movement west during the Riel rebellion, and the trail used was Battleford trail, during that war.

Then, we have other historical sites in that area, but it would take too long to describe them. You will have to come out there and see it for yourselves. We are having an old timers' reunion, where all of those who have been in that country for 65 years will be having a celebration, such as has never been seen in any other part of Canada during that period of time.

It is the greatest country in the west. And we have something more than that. We have beards out there in southwest Saskatchewan. Yes, we have beards. The he-men in Swift Current and in Maple Creek have beards such as you have never seen since the days of the apostles. We are known as the original bearded city of Swift Current, and the practice originated a number of years ago.

And there was a purpose in growing beards, because beards are important in that country. In fact, beards have been important since the creation of man. The downfall of man began when he became smooth-shaven. If you will read your history, particularly your biblical history, you will find one thing, dating back to the time of Samson, who, when his hair was shorn, lost his strength and was captured by his enemies, and was destroyed.

I think we should be on our guard, as we are in Swift Current-Maple Creek, in regard to what is going to happen to mankind if we continue as we have been doing in the past. Because as man became clean-shaven, and as he lost his luxurious beard, he lost his virility and masculinity, and man began to decline. And then it was the woman's influence began to rise. And if this situation continues we are going to be dominated by women.

Why, we see the day coming right here in the House of Commons; there are four of them here already. We will be exactly like some of the aboriginal tribes, where the men are cast aside—well, no, they are not cast aside; they have to do the work. Can you imagine anything worse than that? And the day is coming when we will be treated just the same as the male bees in a beehive—we will be worthless.

So, Mr. Speaker, I suggest that it is not only a local problem—this problem of beards —but that it is a world problem. And, you know, if you go through history you will find that all the conquering tribes were bearded. And what I am worried about is the number of people in Russia who are growing beards. I suggest we should give this serious consideration. But the men of Swift Current and Maple Creek have found the answer because they have placed man back in his proper position. For whoever heard of a woman with her lovely complexion, when she snuggles up and gets the feeling of those bushy whiskers—why, they become absolutely helpless. Because they are in the hands of man, from that time on, and they will never have anything further to do with the Schick-shaver, or a slick-shaver, man.

The only reason I, representing Swift Current-Maple Creek, have not grown a beard is that I am just too busy being a member of parliament to always have to carry a stick around to keep the women away. So, on July 1, on to Swift Current-Maple Creek in Saskatchewan. Every member in the House of Commons is invited, and people from the rest of Canada; and you will come back from there feeling that the trip was justified. You are invited to come out to that country, where men are men and women are women—and if there is any difference, thank the Lord for it.

While I am speaking on the subject of western Canada I would like to say this, that each one of us who believes in modern progress has appreciated the advent of television in our midst. I understand it is the purpose of television that it shall be a boon to mankind in any particular area of the country, and that those who are deprived of the benefits of this service will not be in a position to maintain the high standard of education and the full enjoyment of culture and religion experienced by the other areas in the country having it.

Swift Current-Maple Creek will be deficient in the matter of television service. I understand that the higher the television tower is, the farther the telecast beams are transmitted. In any case, we have the highest altitude of any area in Saskatchewan. I believe it is between 3,000 and 4,000 feet. And by putting a thousand-foot television tower in our area we could beam telecasts all over the province of Saskatchewan.

I think the Canadian Broadcasting Corporation would do well to put a station there, and if they did we could service all the people in the province. While that has not happened yet, there is still time to have that service in that area of the country. I think we should adopt the principle whereby, when any member of parliament can show that a television station can give television service to cover a hundred thousand people, the C.B.C. and the government should give serious consideration to giving service to that number of people. We can do that in Swift Current-Maple Creek even though that country is sparsely settled because we have sufficient height of land and the beam will cover the whole constituency which is 300 miles from one corner to the other. It will service half the constituency

of Kindersley, half the constituency of Rosetown-Biggar and will even extend into Montana and over into Alberta.

The only thing that has retarded us so far, the only reason why we may not be completely up to date is that we have not had the advantages of this service. Our people should have the educational facilities provided by television which are given to other people in Canada. We should have the cultural and religious benefits which only television can give. We should have the knowledge that can be transmitted through television in regard to agricultural production. We have a great number of organizations like the 4-H clubs and we have the second largest experimental station in Canada. Any investment made to provide television in southwest Saskatchewan will be more than repaid in the benefits granted to the people, and the investment itself will be repaid.

Coming back from Saskatchewan we were in contact with many farmers in our constituency. We have heard during this debate of the needs of the farmers and again a very poor picture has been painted by some hon. members of the House of Commons regarding the situation in Saskatchewan. Whatever the situation may have been it certainly has been aggravated by the weather conditions of the past week. If that catastrophe had not transpired the situation as I found it in Saskatchewan would not have been as serious as it has been described here in the House of Commons.

I do not believe that the government of Saskatchewan believed some of the speeches socialist-delivered in the House of Commons regarding the situation in Saskatchewan. If the government in the province did believe it and if that situation actually existed they should have done something about it rather than just wait for the dominion government to carry the burden. Of course if some members of parliament can convince the dominion government to carry a burden that it should not properly carry then they have an ability over and above the ordinary.

To my mind every provincial government in the country should carry its share. The provinces are in a unique position to be able to at least set an example. They may not have the facilities or the money to the degree that the dominion government has, but they could go a little way and set an example. I have not seen evidence of the least effort being made in Saskatchewan to make any move whatsoever to correct the condition which it has been claimed by socialist members in this house exists in Saskatchewan.

What the farmers need in Saskatchewan is the final payment on wheat, and more than that they need facilities to sell their wheat. The sale of their wheat will be of more value to them than the final payment. Those are two great needs. If there is a third one, most certainly it is good weather. If those needs can be satisfied I am satisfied the people of Saskatchewan will again put in their crops and unless weather conditions are completely abnormal they will deliver the same production as they formerly have.

I do not think we should overlook some of the difficulties which have been encountered in regard to the movement of grain. Some people in the west feel that it has not moved fast enough; they feel that the government or the wheat board has left undone something in regard to the movement of grain. What has actually transpired? There was the dockers' strike last fall in Great Britain which handicapped the movement of grain for almost two months. I do not know of anything that our government could have done about that because it was a foreign affair. Before that we had the grain handlers' strike on the west coast and lately the grain handlers' strike at the head of the lakes.

Nevertheless, in spite of all these difficulties, some advance has been made and, as has been stated by the Minister of Trade and Commerce (Mr. Howe), it is believed that most of the wheat in western Canada will be moved before the next crop year. Of course there is criticism and agitation in western Canada by political parties, and perhaps that is the way it should be. Do you know what I heard in Swift Current-Maple Creek? Our socialist friends were going around the country saying that the grain handlers' strike at the head of the lakes had been instituted by the Minister of Trade and Commerce. They were saying that the minister had made a statement during the winter that he was going to move this grain during the coming summer, and as he had failed to move the grain he had instituted that strike.

I do not know how many people in western Canada believed that, but there is one thing I think they know and that is that at no time when there was a strike, no matter how seriously it affected the farmers, did the socialist party lift a finger to stop it. We all have responsibilities. I did not expect the leader of the socialists when he was over in Britain to interfere with the dockers' strike there or try to settle it, but if he had the interests of the western farmers at heart perhaps he could have made some suggestions without making himself obnoxious. Perhaps the government of Saskatchewan could have put forth a little effort in connection with grain

handlers' strikes wherever they happened especially as they affected the farmers.

Do not forget the time when we had a railroad strike in 1950 which paralysed industry in Canada. The socialists did not do anything about that. A special session of parliament was called in an endeavour to correct that situation and a solution was presented but every socialist in this house with the exception of one voted against the settlement of that strike. We are still suffering from that strike because you cannot make up lost movement of grain and you cannot regain markets that have been lost because of grain stoppages.

What do the socialists think of strikes? Are they in favour of them? Everyone has the right to strike, as we all know. No one would want to take that away. But I would say that the socialists actually favour strikes except when they have one of their own. They had a transportation strike in Regina in 1953, but that was a horse of another colour. What did the socialists do about that? They had advertisements in all the papers of Saskatchewan, and I quote the *Leader-Post* of July 6, 1953, which is a capitalist paper, do not forget, which said that the men should not strike because they were making more money than anyone else and that the cost of living had come down during the last eighteen months.

At the same time they were complaining about that and using it to their advantage in Saskatchewan. It all depends where the shoe pinches. If we are going to work together in the settlement of the nation's difficulties, then I think we should be able to honestly expect some assistance from all governments in Canada including a socialist government.

When there is a strike the socialists are hesitant to say anything. They are ready to talk about anything if they think they can get more prestige, but they are certainly silent on the occasions of strikes. Some of their leaders in Saskatchewan remind me of a little puppy, and in saying this I do not want to get into any dog controversy such as they had during the last election in the United States. A puppy is a harmless little creature, always lovable. When you take out a puppy and he knows where he is going he trots along in front with his tail up in the air full of life. But when he does not know where he is going he hangs behind with his tail between his legs and does nothing but whimper. That is about as close a comparison as I can make of what I have observed about the socialists. There has been great competition in connection with the selling of grain, as everyone knows. This government, through its Prime Minister, through its Minister of Trade and Commerce and through other members of the government, has left nothing undone to try to acquire markets and stimulate the movement of that grain. Has anyone else made any suggestions that would make it possible to sell Canadian grain? The only solution offered by the socialists, as far as I can see, is that we give it away. I do not know to whom we are going to give it. I do not know what government wants it. I do not know of any government that has made an appeal for it. In the meantime there is only one way in which the farmer can obtain the reward for his labours, and that is to sell it. The government has left nothing undone to make that possible.

I do not think that any socialist or any other member of the opposition has contributed anything to promote the sales. I would say they have retarded them in most of the speeches, the canned speeches that have been delivered in the House of Commons by the socialists from Saskatchewan. Not one jot or tittle have they contributed by any one of their speeches to the movement of one bushel of grain. I think they can do better than that. I would say that, if farming and agriculture is in such a condition in Saskatchewan as has been described by the socialists, then I wonder why they are not selling their land—no, not selling it, giving it away, because they are at least supposed to share part of that with someone else. Why are they acquiring more property? Why are the socialists in Saskatchewan acquiring more land if agriculture is on its way out? From the socialist speeches I have heard it is useless for me to go back and seed my land or raise chicks. We had 500 chicks and we had more trouble in caring for them than with some of the babies owing to the very cold weather that occurred. It is useless my raising livestock if agriculture has gone entirely to pieces.

I think we should have more encouraging words for the farmers of this country. I think the farmers have more faith in our country than other people and than other parties give them credit for. I think that, if we get a good crop again, the government will help them get it marketed. I think we can look forward to another good crop year and the prospect of selling the grain to the best advantage through our wheat board, operated under the government as well as or better than through any other system or through any other government that I know of.

With regard to our present budget, I think everybody in Canada is congratulating the Minister of Finance on this new budget. Some

hon. members tell us that this budget is a bad budget. They tell us it is handicapping farmers and that no one receives any benefit from it; that the government perhaps made a move in the right direction but should have gone much further. The government could not remove any more duties on farm implements, because they have all long ago been lifted. You may go into Montana and buy any piece of machinery—and the hon. member for Assiniboia (Mr. Argue) may buy any piece of machinery—and bring it back across the line, without duty, and purchase any repairs that you wish. I am glad that the government listened to our appeal last year, when we suggested that they take the duty off truck tires and every other commodity the farmers need. They reduced the taxes on automobiles; and everybody admits that the farmers need automobiles.

I suggest that the federal government has set a wonderful example in this budget to all the provinces of Canada; and if they followed suit we would have a much better economy. What is stopping the Saskatchewan socialist government from taking that $100 off an ordinary car, which is the tax they have to pay there. The federal government reduced the tax; certainly that province could follow suit. They are not in favour of taxes. What is stopping them from taking off the 3 per cent tax on farm fuels that the farmers have to use? What is stopping them from taking off the 3 per cent tax on building materials, to stimulate building activity? What is stopping them from making some kind of contribution which some members in the House of Commons say that the federal government should be making?

If this budget is bad, I hope we have a lot more just as bad in the future. I hope we continue to have tax reduction budgets. I hope we continue to have incentive budgets, so that the people of this country can invest their money and know that it will not be all taxed out of their hands. If the people of this country would invest their money in new enterprises, it would provide jobs in the country. In Saskatchewan they tried to do it through the state, and what happened? They have no qualms about it. Out there, if the government factory does not pay dividends—they are against profits, but if it does not pay a profit—out it goes, and the labouring people with it. Sometimes they take up the slack in regard to those they have discharged from employment by putting them into the government. They have that method of absorbing them into the government of Saskatchewan or having them unemployed or placing them in the position where they have no alternative but to join the army. The hon. member for Regina City (Mr. Ellis) said that the Liberals were suggesting that that was the Liberal cure for unemployment, to have unemployed men join the army. If that were so, why have we not our quota filled in the army, the navy and the air force; which we have not up to date? That is not the Liberal solution to unemployment, but it is the socialist solution to unemployment, and we have no intention of stealing any socialist platform in regard to that method of settlement of the unemployment problem. So I would say that they are not worried in Saskatchewan over the depression. They have had the highest budget expenditure of any time in their history. So, if they would follow suit with the Dominion of Canada and reduce the taxes, certainly all the people of Canada could have the advantage of it.

I have been asked on several occasions by the labouring people in Swift Current-Maple Creek to make a speech on labour. I would very much like to do that because there is sympathy with both the farmers and labour. Everyone wants labour to prosper, and everyone wants the farmers to prosper. I think that labour has some very good representatives here in the House of Commons. They have certainly accomplished their aim in forwarding the objectives of labour. But I am not one who thinks that labour can make agriculture prosperous but I do think that agriculture can make labour prosper. I concentrate on what I think is a fine endeavour to augment, stimulate and advance production to the position where everyone in Canada can enjoy the benefit of it. Agriculture is fundamental and responsible for the welfare of labour. Never have I seen prosperity throughout the land when agriculture was not productive, when it was not in prosperity. Strange to say, farmers often are not in that position; farmers have the ability, capacity and productiveness to make everyone else prosperous except themselves. That seems to be one of the difficulties in connection with agriculture. I am sure the rest of the people of Canada will wish to see that the equilibrium is maintained in regard to farmers and other wage earners or other productivity in the Dominion of Canada.

So we have a budget that reduces the taxes, a budget that is an incentive to employment. We have a budget that leaves something for the little fellow. You cannot add nothing to nothing. You cannot take away nothing from nothing. Some of our critics say that we should have enlarged the exemptions. However, we have now the largest exemptions of any country that I know of. In Canada a single man has a $1,000 exemption, and a married man $2,000. In the

United Kingdom, even under a Labour government, the exemption was $385 for a single man and $660 for a married man. In the U.S.A. the exemption is $600 for a single man and $1,200 for a married man. In Australia the exemption is $224 for a single man, and $448 for a married man. In New Zealand the exemption is $1,013 for a single man, and $1,350 for a married man. Comparing that with Canadian exemptions, we are far above all other countries on an equivalent basis in regard to the exemptions that are allowed. So the little man cannot be entirely exempted from paying taxes—at least he is not in Saskatchewan. I do not know of one single person, no matter how poor, who does not pay equal taxation with the rich in Saskatchewan. I see no exemptions there whatsoever. There are many more exemptions under our dominion government's policy than under any other government that I know of in this country. You cannot, as the socialists say, bring the rich down to the level of the poor. And then no one is in a position to pay taxes. We need to bring the poor up to the rich. That is our objective. We shall never be satisfied until we attain it. Then everybody can pay taxes. Then there will not be any necessity for exemptions that we are talking about today.

A royal commission was advocated in the budget. I think that was one of the most important things that was incorporated in the budget of this year. That is an indication of Canada's thinking with regard to the future: determine our economic responsibility and our economic possibilities for the future. While they are considering those economic possibilities, I think there is a wonderful opportunity for this royal commission to determine the earning power of the different groups, occupations and industries throughout the Dominion of Canada. When we can determine the income and the purchasing power of those different occupations, whatever they may be, across Canada, we shall then be in a position in which we can balance that economy as between one industry and another.

That procedure will eliminate the constant controversy in the different groups and occupations in Canada as to who is having the best standard of living, who is taking more than his share, and the constant agitation with regard to the farming population, and their contention that they are taking what is left and are not receiving their share of the national wealth. The sooner we accomplish that end and get on that basis, I think the sooner we shall be in a position where there will be a more satisfactory economic condition prevailing throughout the Dominion of Canada.

We have had considerable advice from the opposition groups in connection with what the government should or should not have done. But that advice cannot explain away the fact that this is a good budget. Any budget that reduces taxes is a good budget. As I mentioned before, I think we should continue to have that type of budget so that over a period of years we shall be in a position where more and more benefits will accrue to the people. I have heard no alternative that was of any consequence to what has been done. I have heard no alternative whatsoever except, incidentally—and this is by way of correction—what in some people's opinion should be instituted, but nothing that is permanent or that possibly could be adopted. I have heard nothing that the socialists might advocate that would be of any value, nothing that would indicate that they practise out in Saskatchewan what they preach here in the House of Commons. I have heard nothing from the Social Crediters who seem to be feeling more or less happy these days with regard to what their prospects may be in connection with future government here in Canada, the financial ability of the people and of the services that they may be in a position to offer to the people of Canada.

But before you can offer any social service to the people of Canada, there is one thing that you must do about it. You must vote for it. No one can obtain a social service in this country unless through this parliament we vote for that social service. If we vote against the social service, certainly none will be applicable. I think the Social Credit party is active throughout the whole country in connection with advocating family allowances, leaving people with the impression that Social Credit was possibly the originator of these family allowances and, as they were possibly the originators, they should be entrusted with the responsibility of increasing them. I have been told that even on the telephone poles throughout the province of Quebec there are posters suggesting that the people contact their member to have the family allowance increased or perhaps have the family allowance doubled. But as I mentioned before, you cannot have a social service unless you vote for it. You cannot claim to have had a part in the social service unless you can claim to have voted for it.

On looking at the history of family allowances, I notice that in 1944 it was incorporated in the speech from the throne through this Liberal government. Various subamendments were offered and then the final vote came to accept this speech from the throne

which had the family allowance incorporated in it. In that speech from the throne were included these words:

> The family and the home are the foundation of national life. To aid in ensuring a minimum of well-being to the children of the nation and to help gain for them a closer approach to equality of opportunity in the battle of life, you will be asked to approve a measure making provision for family allowances.

The vote on the motion for an address in reply was taken on February 10, 1944, and was as follows: Yeas, 146, composed of reactionary Liberals and reactionary Conservatives; and nays, 21, representing the progressive vote for humanity at large by the opposition members of the splinter groups.

Mr. Johnston (Bow River): I rise on a point of order, Mr. Speaker.

Mr. Studer: They voted against the motion for an address in reply to the speech from the throne, in which family allowances were incorporated.

Mr. Speaker: Order. I understand that the hon. member for Bow River is rising on a point of order.

Mr. Johnston (Bow River): Yes, Mr. Speaker. I want the hon. member to indicate to this house whether or not, as he has inferred, the Social Credit party voted against that amendment for family allowances. I had occasion today to look up the record because I suspected that this speech was going to be made. However, I did not know by whom or when. Otherwise I would have had the *Hansard* here. I am saying to the hon. member who has the floor now that he is absolutely wrong. In that debate, Mr. Speaker—

Some hon. Members: Order.

Mr. Speaker: At this moment the hon. member is going beyond raising a point of order. He is arguing that what the hon. member has just said is not correct. Having asked the hon. member to say whether the party to which the hon. member belongs had voted for or against the amendment in question, he should not go beyond that but should wait for the reply of the hon. member who has the floor.

Mr. Johnston (Bow River): I shall be pleased to do that, Mr. Speaker.

Some hon. Members: Ten o'clock.

Mr. Studer: Page 364 of *Hansard* of 1944, on the main motion—

Some hon. Members: Ten o'clock.

Mr. Studer: —in regard to the adoption of the family allowance measure,—

Mr. Knowles: It was no such thing.

[Mr. Studer.]

Mr. Studer: —the following names are written, and they are written there in indelible ink. There is nothing that any Social Crediter can do that will erase it. They are written there at page 364. The nays are as follows: Blackmore, Bryce, Burton, Castleden, Coldwell, Dorion, Douglas (Weyburn), Fair, Gillis, Hansell, Hlynka—

Mr. Johnston (Bow River): Ten o'clock, Mr. Speaker.

Mr. Studer: —Johnston (Bow River), Knowles, Kuhl, MacInnis, Marshall, Nicholson, Noseworthy,—

Mr. Johnston (Bow River): Ten o'clock, Mr. Speaker.

Mr. Speaker: Order.

Mr. Studer: —and some more, Mr. Speaker.

Mr. Knowles: No more nonsense.

Mr. Lapointe: Do not look hurt.

Mr. Speaker: At the moment the hon. member was asked a question he had just exhausted his time. Do I take it that the hon. member for Gloucester (Mr. Robichaud) will adjourn the debate?

Mr. Robichaud: Yes.

On motion of Mr. Robichaud the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall begin with the estimates of the Department of Citizenship and Immigration. Then we shall take the resolution with respect to the Yukon Quartz Mining Act; then the estimates of the department of northern affairs; and then those of the departments of post office and justice.

Mr. Drew: Mr. Speaker, before this matter is disposed of, may I say that I would have hoped that it might be possible to continue this debate. By everything that I can learn, it would seem to me that this debate would be concluded tomorrow. These interruptions over several days only have the effect of protracting the debate and separating the discussion. At a time when there is so much discussion taking place with regard to the rules and methods of facilitating the business of the house, I would think one of the ways in which that business might best be facilitated is to have debates of this kind continue on, day by day, until they are terminated.

Mr. Harris: I agree with all that has been said, but it has been my unhappy lot to find out that hon. members opposite are often just

as inclined to change the debates from time to time as hon. members on this side.

Mr. Drew: We do not have the choice.

Mr. Harris: I have taken all this into account in deciding that it would not likely be possible to complete this debate tomorrow, and that is why I have announced the business in the manner I have.

Mr. Low: I wonder whether the minister's fears are not rather that there will not be enough here to approve his budget tomorrow if we go on with this debate. My own feeling is that we should continue the debate and finish it. I believe we can finish it tomorrow and that there will be enough members remaining here over the week end for the vote to be taken tomorrow.

Mr. Harris: I have not the slightest doubt that if all hon. members voted on the budget according to their real beliefs they would all vote for it.

Mr. Knowles: Let us take the vote tomorrow and find out.

It being three minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, May 6, 1955

The house met at 2.30 p.m.

HOUSE OF COMMONS

MINISTER OF TRADE AND COMMERCE—WELCOME BACK TO HOUSE

Mr. Speaker: May I, with unanimous consent, tell the right hon. Minister of Trade and Commerce (Mr. Howe) how pleased we are to see him back from his trip looking so well.

PRIVILEGE

MR. JOHNSTON (BOW RIVER)—REFERENCE TO STATEMENT BY HON. MEMBER FOR SWIFT CURRENT-MAPLE CREEK

Mr. C. E. Johnston (Bow River): Mr. Speaker, I rise on a question of personal privilege. Yesterday in the house, when the hon. member for Swift Current-Maple Creek (Mr. Studer) was speaking, he indicated that I took a certain action in this house on a previous occasion. I did no such thing. Since he has accused me of that action, I wish now to state my part of that case, if I have your permission.

Mr. Speaker: I do not know exactly to what the hon. gentleman is referring at this moment, but I want to make sure that we are not going to confuse the situation which perhaps, if correction is necessary, should be corrected only when the debate is resumed. If I recall what took place last night, the hon. member for Swift Current-Maple Creek was referring to the way a member voted on a certain occasion. If the hon. member wishes at this time to correct the interpretation of that vote by the hon. member for Swift Current-Maple Creek, it seems to me that the time at which to do it would be when the debate is resumed. I do not think a member, on a question of privilege, once a debate has been adjourned, could try to correct an interpretation of either words pronounced or views expressed or the manner in which a vote has been given in a debate that has been adjourned.

Mr. Johnston (Bow River): Mr. Speaker, of course I must abide by your decision, and I have no desire whatever to try to override the rules of this house, but it is not a case of the hon. member for Swift Current-Maple Creek misinterpreting anything. It is a case of his making a deliberate false statement, and he knew it to be false. If you suggest, Mr. Speaker, that I should refrain from speaking on this question now and wait until the debate comes up, I shall be glad to do that. I shall have to await your decision.

Mr. Speaker: As I said, if the hon. member wishes to refer to what took place last night in the manner I have indicated, it is a matter of opinion as to whether the hon. member knew what he said to be false and whether he spoke some falsehood deliberately or not. As the hon. member knows, until the matter has been clarified, the hon. member who has made a statement, certainly in good faith, should not be accused of having spoken any falsehood until the contrary has been proven.

Mr. Johnston (Bow River): I shall clarify it when the debate is resumed.

Mr. Speaker: That is the best procedure to follow.

Mr. Studer: I ask for special consideration. I was just reading the record. I was not making any charges on the record.

Mr. Speaker: Order.

NATIONAL CAPITAL PLAN

SUGGESTED SETTING UP OF COMMITTEE TO STUDY OTTAWA PLANNING

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): On Wednesday, Mr. Speaker, the hon. member for Rosetown-Biggar (Mr. Coldwell) asked me if it was still the intention of the government to set up a committee to look into the affairs of the federal district commission.

The speech from the throne indicated that a joint committee of both houses would be proposed to examine, in the light of the Municipal Grants Act and possible amendments thereto, the financial and other relationships of the government and the federal district commission with the city of Ottawa and neighbouring municipalities.

It is now the feeling of the government that there are so many committees in operation at this time considering matters of great importance that it would not be possible at this stage of the session to have a committee

on the scale originally contemplated; that the municipal grants bill now before the house might therefore be referred to the banking and commerce committee as soon as second reading has been completed; and that there might be an opportunity before the close of the session to establish the joint committee with a view to laying the foundation for a wider examination of the work of the federal district commission at the next session.

POST OFFICE DEPARTMENT

PUNCTUALITY OF EMPLOYEES—REFERENCE TO CIRCULAR

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the parliamentary assistant to the Postmaster General or to the Acting Postmaster General. Has an order been passed having the effect of penalizing post office employees who are sometimes late for work by taking time off their annual holidays? If so, who thought up the order, and will it be cancelled?

Mr. T. A. M. Kirk (Parliamentary Assistant to the Postmaster General): Mr. Speaker, in view of the publicity that has been given to the recent order, I wonder if I might not give a brief but comprehensive reply to the hon. member.

A circular was issued. The purpose of the circular was to ensure that employees are treated uniformly in the various offices throughout the service. Where employees are late owing to unavoidable circumstances, such as breakdown in transportation, heavy snowstorms and items of that kind, every reasonable cognizance is taken of these features.

In the postal service punctuality is exceedingly important. If employees are not on duty on time, mails are delayed and deliveries are retarded. Punctuality becomes all the more important with the advent of the 40-hour week. In many industrial concerns if the employees are not on time, the gates are closed and they are not allowed to work for a certain period of the day.

We felt that the employees should know the penalties they are likely to suffer so that they can adjust their arrangements accordingly, rather than to have imposed a penalty without any previous notice. Only a very small minority of our people are affected, as the majority have an exceptionally good punctuality record.

Mr. Knowles: May I ask a supplementary question. If representatives of the postal employees make representations against this order, will those representations be considered by the government?

Hon. J. W. Pickersgill (Acting Postmaster General): Mr. Speaker, I think perhaps I should answer that question. The answer is: "of course".

BUTTER

PRODUCTION AND DOMESTIC CONSUMPTION—1954 AND 1955

On the orders of the day:

Mr. J. H. Proudfoot (Pontiac-Timiskaming): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. What was the production and domestic disappearance of butter in Canada for the calendar year 1954, and for the year 1955 to date?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for having given me notice of his intention to ask this question. The production of butter in Canada for the calendar year 1954 was 312,600,000 pounds and the domestic disappearance or consumption was 292,600,000 pounds.

For the first three months in 1955 the production was 34,300,000 pounds, and the domestic disappearance or consumption was 66,500,000 pounds.

A comparison of the first quarter of 1954 with that of 1955 indicates that while production decreased by 3 per cent, consumption increased by 3 per cent.

STORMS

SASKATCHEWAN—REQUEST FOR FEDERAL ASSISTANCE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I ask the Prime Minister a question. Has he received any message or request from the province of Saskatchewan with regard to the disastrous flooding in that province? Are any arrangements being made to confer on the matter, to send assistance or anything of that sort?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I think perhaps the best answer I can give to the hon. gentleman is to say that last night I received from the premier of Saskatchewan a telegram which reads as follows:

> Flooding of communities and farm lands on province wide scale has created disaster of major proportions. Urge your government to declare national emergency and give assistance on same basis as made available to other parts of Canada where similar disasters have occurred. Prepared to send ministers of provincial government to

confer with you and your colleagues if you so desire. Situation urgent and immediate assistance would be appreciated.

I telegraphed the hon. gentleman this morning in the following terms:

Your telegram received late last night and I wish to assure you everyone sympathizes with all those affected by recent storms and flooding in your province. We have no information that would indicate shortages of immediately necessary relief supplies nor nature and extent of actual destruction.

In cases where federal aid has been extended the provincial authorities had taken the initiative in securing factual information. I suggest that much more such information is required before any discussion with your colleagues could be really helpful. Your government will no doubt be securing such information and may wish to supply it to us and we will give it the same consideration as was given to all previous cases.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, might I ask a supplementary question. Would the Prime Minister consider using the federal forces in Saskatchewan, officials in P.F.R.A. and P.F.A.A., who know every part of Saskatchewan, also to look into this matter and give it immediate attention?

Mr. St. Laurent: When the factual information collected by the provincial authorities has been brought to our attention we will take the best possible measures of checking it in order to satisfy ourselves that it represents the facts with regard to what has occurred.

INQUIRY AS TO REPRESENTATIONS FROM GOVERNMENT OF MANITOBA

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): May I ask a supplementary question. Has the Prime Minister received any representations of a similar nature from the government of Manitoba.

Right Hon. L. S. St. Laurent (Prime Minister): Not in connection with what has happened within these recent days.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

59. Departmental administration, $493,651.

Mr. Decore: Mr. Chairman, I should like to draw to the attention of the minister a matter within his department which I feel is far from being conducive to the promotion of good citizenship and the spirit of Canadianism and which to a certain section of our Canadian population is even insulting, to say the least.

May I start off first by saying that the population of our country is made up of people of different racial origins who either themselves came from different lands or whose parents or ancestors did so. They have different backgrounds, but these people have brought with them their skills and their cultures and each is making a contribution to the building of our nation and the development of our distinctive Canadian national culture. I say that the strength of Canada lies in the diversity of its population. Regardless of what may be our occupation, what church we attend or whence came our parents, one thing we have in common with our neighbours is Canadian citizenship. At the same time we are members of the British commonwealth of nations which is the greatest organization that the world has ever seen. Certainly it is the policy of the government, and I am sure it is the thinking of every hon. member and of the Canadian people generally, that Canadians regardless of their racial origin should be proud of their origin whether it be Scottish, Polish, Anglo-Saxon, Ukrainian, French, Irish, or any other, proud of the contribution that they are making to this country and proud of the fact that these things have brought us together to make us better citizens and Canada a better place in which to live.

Having said that, I should like to draw the minister's attention to applications for Canadian citizenship that have been made by prospective Canadian citizens of Ukrainian origin. In making such applications these people have stated that they were born in the Ukraine. I should like to read the part of the reply of the Department of Citizenship and Immigration which is pertinent to the point I wish to make. These people have been told:

I regret to inform you that Ukraine is not the name of a country. It refers only to a province or a territory. As the name Ukraine does not refer to the name of a country, it would not be correct to enter Ukraine on your application form as your country of birth.

It seems to me that this statement, contained in a document coming from the Department of Citizenship and Immigration, is not only insulting to these applicants but also humiliating. It is not only insulting and humiliating to them as applicants, but I think that kind of statement is insulting to any person of that origin regardless of whether he lives in Canada or any other part of the world, and there are some 50 million of them throughout the world. When someone makes a statement to the effect that "Ukraine" is not the name of a country, such a statement is incompatible with history and certainly incompatible with present-day facts.

I am not going to go into the history of the Ukraine, but I should like to point out to the

minister that in that country today there is a population of over 42 million people, that it comprises a territory larger than France, that it is a separate republic in the Soviet union and is a charter member of the United Nations. When I say it is a republic I should like to qualify that by saying that it is a so-called republic because we know that the people there are not free. But even the recognition that this country has received from the Russians has only been after many millions of people have died fighting for freedom. As recently as the 1930's millions of them were starved deliberately on directions from Moscow because they believed in freedom and wanted to separate themselves from the Russian empire. The Russians have not been able to suppress that spirit of freedom although they have tried to do so for many years.

To touch briefly on history, I should like to draw your attention, Mr. Chairman, to what happened in the year 1863. The Russian government, by a special decree, ordered the printing of all books and newspapers in the Ukrainian language to stop. When the Ukrainians appealed this decision to the government the minister of the interior, at that time Count Valuev, replied:

> The Ukrainian language never existed, does not exist and shall never exist.

That happened in the year 1863. Yet since that time, after millions of people have died for freedom in an effort to break away from the Russian tyranny, they have at least been given the recognition of being a separate republic and have been recognized as a charter member of the United Nations. May I also point out to the minister that as recently as the 20th of November, 1917, after the czarist empire crumbled, the Ukraine became independent. If the western world had realized at that time the significance of what was happening, and if these people who had been trying to obtain their freedom and did obtain it for a short period of time had only received support from the western world, the Ukraine today would not be a part of the Russian empire, and Russia probably would not be the menace she is to the western world and to Canada in particular.

These newcomers who came to this country especially after the last war probably feel more keenly about this matter than any other ethnic group in the country and one can appreciate their reasons. They are the ones who have actually witnessed the liquidation of masses of their fellow countrymen on directions from Moscow. In spite of pressure they refused to go back to the Ukraine from the displaced persons camps, and they consider themselves very fortunate indeed to have been able to reach the shores of Canada and to be in a position to be able to make application for Canadian citizenship after spending some time here.

For such people in particular the kind of statement contained in the letter from the Department of Citizenship and Immigration is indeed most humiliating. Knowing the minister as I do, I am sure if he had known what was taking place he would never have allowed such a letter to be written to these newcomers. I am sure of that. We all know that is not the minister's way of thinking.

Mr. Ferguson: How would he know?

Mr. Decore: All you have to do is talk to the minister on any occasion with regard to his attitude to Canadians generally.

Mr. Ferguson: Born in this country or otherwise?

Mr. Decore: So I draw this matter to the attention of the minister with the hope that this sort of thing will not be repeated and with the hope that the minister will see to it that these people will be given the privilege of naming their country of birth as the Ukraine when they are making application for citizenship, because it is in conformity with the actual facts as they exist today and in conformity with history. If the minister should agree to that, then I would also suggest that any certificates already issued be changed accordingly if the people concerned want to have them so changed. With this in mind, I hope the minister will be able to see fit to make the necessary changes.

Mr. Pickersgill: I should like to deal with this point right away. First of all, I want to express my sincere regret. As the hon. member correctly stated, I was quite unaware that to this circular letter sent out as a receipt for applications for citizenship in cases where there have to be some corrections or additions made—and that very often happens—the sentence to which he referred was added. The sentence was substantially as he read it, and I do not think there is any special reason why I should read it. The words are slightly different but the sense is quite the same. I can imagine how the hon. member for Greenwood, who like me was born in this country, would feel if the Department of Citizenship and Immigration said to applicants who put Scotland as their birthplace, "In your application you say you were born in Scotland; as this name pertains to a territory, district or province rather than a country it is requested that you state the name of the country in which you were born".

Mr. Knowles: What about your own constituents?

Mr. Pickersgill: My own constituents, as the hon. member knows quite well because he, like me, is a sea lawyer, except those people who immigrated into Newfoundland from some foreign country, were born in Canada. I do not wish to be diverted from what I am saying about this matter now.

Mr. Ferguson: Do not divert him now.

Mr. Macdonnell: You diverted yourself.

Mr. Pickersgill: I said that if Scotland had been used instead of the Ukraine in this instance, there would have been indignation which would have reached the ears of the minister rather sooner than this did. I would say this practice is one for which I, as minister, am constitutionally responsible. No such sentence ever appeared until a few months ago. It has been used only since I was minister. I say that because I do not want anyone to think I am blaming my predecessor or anyone else. I had not had this matter drawn to my attention before.

Mr. Ferguson: We knew it was you.

Mr. Pickersgill: That is right; the responsibility was mine. I am not going to plead ignorance, though I was ignorant of it. I say, sir, it was an error that was honestly made by a very conscientious civil servant who would not knowingly hurt anybody anywhere. It was made, and it was made with the intention of helping the people who make these applications.

Now, it is within the knowledge of many hon. members that citizenship certificates are used very frequently for identification of one kind or another. It has been the experience of the department that sometimes questions are raised about where some places really are. As the hon. member for Vegreville correctly stated, for many years the Ukraine has been juridically part of other states bearing other names. It is my honest opinion it is an advantage to the holder of a certificate, in certain circumstances, to have the juridical name of the country in which he was born also on his certificate. I have consulted my colleague, the Secretary of State for External Affairs, about this matter and from now on any applicant who wishes to state that he was born in the Ukraine and nothing else, will not be requested to amplify that at all so far as the country is concerned.

I shall have a circular prepared as quickly as possible to indicate that it might be to the advantage of applicants to indicate that the part of the Ukraine in which they were born was, at the time of their birth, under the jurisdiction of, say, Poland, Czechoslovakia or imperial Russia, or that it is now the Ukrainian S.S.R., or whatever the fact may be. However, no one will be required to say that; it will be entirely optional.

I do not want to mislead anyone. There is another question on the application form that has to be answered, and that is question No. 4. It says, "I am a subject or citizen of—", and there, of course, it is absolutely imperative that the applicant put what his juridical status is, however disagreeable it may be to him. If the nationality of which he is divesting himself is Polish or Czechoslovakian that would have to be put. In the case of many of these newcomers to whom the hon. gentleman has referred, they are stateless, and of course that is a proper answer if it is a truthful one. But so far as the place of birth is concerned, and that is all that is inserted on a citizenship certificate, it will be quite sufficient to give the name of the place and so on, and for the name of the country to say Ukraine, and nothing else.

Perhaps I should repeat that I think it might be of advantage, especially to those people who have cause to leave the country on visits, to amplify it a bit, but that will depend entirely on them and what they want to do. In the case of those who now possess a certificate, and who would like to have the certificate altered so as to indicate that their birth was in the Ukraine, the department will be happy to have that done just as quickly as it is possible after the receipt of the certificate. Now, that may not be by return mail because I would not want to hold up the current certificates while these corrections are being made. I am sure the hon. member for Vegreville would not want that either, but the corrections will be made just as quickly as possible.

Mr. Diefenbaker: Mr. Chairman, there was a matter about which I wanted to ask the minister when last we discussed the question of immigration and dealt with the numbers who had come into Canada in recent years. I was coming to the point of dealing with the question as to the numbers of people who have left Canada in the last 10 years, since 1945. I realize that so far as the records of the department are concerned they might not reveal the entire picture. I have endeavoured to secure information on this subject as a result of investigations in the United States through departments of government.

If those records which I have are correct, they reveal a tremendous exodus taking place from Canada to the United States, which has even been accelerated to a degree in recent

years. According to the records of the minister some one million people have come into Canada since 1945, over a million.

Mr. Pickersgill: It is about 1,200,000.

Mr. Diefenbaker: Yes. I should like the minister to let the house and the country know what records he has in this regard: first, the numbers of people who are Canadian by birth or naturalization who have left Canada year by year since 1945; secondly, what records has he as to the numbers of immigrants who have come to Canada since 1945, who have not stayed here long enough to secure nor have they secured naturalization but who have more or less used Canada as an intervening stopping-off place to enable them to be in a better position to establish themselves in the United States? So far as the latter figures are concerned, I know they are difficult to obtain.

I ask the minister whether or not the suggestion that has come to me, that the numbers of non-naturalized Canadians, in other words aliens who have stopped in Canada for a period of years and who have not taken out naturalization but have gone to the United States since 1945, would amount to about 240,000? I ask him what he has to say in that regard. If that be true, that number, together with the records which the minister has indicated concerning the numbers of Canadians who have gone to the United States, would appear to lead to the conclusion that for every million immigrants who come into Canada about 515,000 Canadians, or people who came in as immigrants, have in the same period emigrated to the United States. That is one of the serious problems that affect us in our country, and one that demands the serious consideration of those in authority. For, certainly, if Canada's population during the intervening years since confederation had not been depleted continuously by migration from this country, our population would be immeasurably greater than it is today.

By way of an aside, may I point out that only the other day I was reading the year book for 1868 in which the fathers of confederation estimated that by 1940, under normal circumstances, the population of Canada would be in excess of 41 million people—more than three times our population today.

I shall deal with several points at this time, because I do not wish to hold up the passage of the estimates, or to delay this general discussion. There is another matter in connection with immigration upon which I should like to secure information. I join with the hon. member for Vegreville, in the remarks he made a few moments ago.

[Mr. Diefenbaker.]

I remember when the major portion of the first group of Ukrainian immigrants came to this country in the early years of this century. Today in the province of Saskatchewan the first immigrant of that race is still living. Through the intervening years I have watched the amazing record established by the people of Ukrainian origin, in their contribution to the building of a great Canadian citizenship. I know that people of that racial origin will be most happy with the announcement made by the minister concerning the rectification of applications, in accordance with the suggestion by the hon. member.

I should like now to ask a question connected with emigration. Has the minister any record to indicate that in the last year or year and a half large numbers of Canadian young men have appeared at immigration offices in this country and have been directed to the offices of the Royal Canadian Mounted Police for the purpose of having their fingerprints taken, so that they might go to the United States. This information has come to me from an official in the immigration branch—or, at least, who was in the immigration branch. I would ask the minister if, in fact, records are kept to indicate the numbers of young Canadians who have indicated their desire to go to the United States for the purpose of joining the United States army. I would ask the minister to deal with that question because, if my information is correct—and, having regard to its source, I have no doubt that it is—it represents a challenging problem and one that deserves attention.

The third phase in connection with immigration is this: Are we doing everything we can to secure desirable immigrants in parts of Europe and the Middle East? I have in mind particularly the state of Israel. While I was there last year one or two university graduates—one in particular, from Jordan—indicated their desire to come to Canada, and I took up the question with the department. Both these young men were of the Christian faith. When I asked what could be done to facilitate the sending of application forms to them, the reply I received from the deputy minister, Mr. Fortier, was to the effect that the department did not have complete facilities in Jerusalem for the necessary examination of prospective immigrants; and therefore it was regretted that the department was unable to consider the entry of anyone from there at this time.

The one referred to, in the reply received from the deputy minister, was a young man of high educational attainments and scientific skill. He was a graduate in science, and one who could have made a great contribution

to this country. I would ask the minister whether it is intended to expand the number of countries to which will be accredited immigration officers so as to enable entry of those who are considered desirable.

I shall now pass on to one other subject, and then I shall have concluded the questions I intend to ask the minister. I come now to the question of the Indian population.

Mr. Pickersgill: Would the hon. member mind holding that question until we reach Indian affairs branch. It would make it much easier to reply if we were to proceed in that way.

Mr. Diefenbaker: I certainly shall. I shall not press the question now, because I do not want to do anything that would interfere in any way with facilitating the discussion of the estimates.

However, one other matter comes to my mind in connection with immigration. Are the applications for every applicant for naturalization checked by the mounted police before the grant of naturalization is made? I have in mind a certain person, whose name I shall give the minister, who made application for naturalization. When the police communicated with him to ascertain his record, about which there was some question, the answer he made was, "I have already got my naturalization certificate; there it is".

I suggest to the minister that if that course is being followed in other cases, then it constitutes a dangerous loophole, permitting the admission to the ranks of Canadian citizenship of those who, by reason of their communist background, should not be admitted to citizenship. I feel that every care should be taken to ensure that citizenship shall not be conferred upon those coming from lands where communist principles are followed. I refer to those who would come to Canada because of advantageous economic conditions but who, at the same time, would desire to retain their allegiance to a foreign philosophy. I believe strict and careful examination should be made in every case, and that no certificate of naturalization should be granted without full and complete examination of the antecedents of the applicant. There should be most careful scrutiny with a view to sifting out those who ought not to become citizens by reason of their communist activities. Careful scrutiny should be made of their past record, and we should have the assurance that when they come here they will not continue past activities.

Mr. Pickersgill: Mr. Chairman, may I deal with these various points raised by the hon. gentleman before they are driven from my mind by listening to another hon. member? I should like to point out first that I think the hon. gentleman is allowing his Saskatchewan patriotism to carry him a little far. The first Ukrainian immigrant who came to Canada was Wasyl Eleniak who came to the constituency of Vegreville in Alberta, and is still living there at the age of 96. I had the great pleasure of sending him a message on his birthday anniversary the other day.

Mr. Diefenbaker: If the minister will allow me, he will remember it was mentioned in the classics that over the years several places have claimed to be the birthplace of Homer. I noticed that the Saskatchewan *Star-Phoenix* took that gentleman the other day and moved him, as I recall, into the province of Saskatchewan.

Mr. Pickersgill: This emulation I think is worthy of both provinces, and I offer not the slightest objection to it.

To take the questions that I can answer most briefly first, to say that the immigration branch acts as an immigration department for the United States is not correct. If there is any paid servant of the taxpayers of Canada in the immigration branch who is conducting himself in that way I should like to have a report on him.

Mr. Diefenbaker: There is no suggestion of that.

Mr. Pickersgill: I understood the hon. gentleman to say that our branch was directing people to the Royal Canadian Mounted Police.

Mr. Diefenbaker: No.

Mr. Pickersgill: If I misunderstood—

Mr. Diefenbaker: My hon. friend does not understand it at all. In the case of people applying to have fingerprints taken I said the Department of Citizenship and Immigration has suggested that they be taken by the mounted police, but there is no participation in any such thing, and it was never suggested in the remotest degree.

Mr. Pickersgill: Well, all I can say is that if it had nothing to do with the immigration branch, the whole thing is a complete mystery to me. I never heard anything about it before, and if it has nothing to do with the immigration branch, I do not think I can reasonably be expected to give any answer about it.

To come to the question of immigration from Israel, I am very grateful to the hon. member for Prince Albert for raising the matter, because there does seem to be a good deal of misunderstanding about it, which I do not want to contribute to and

which I sincerely hope I can remove, at least in part. Israel, like Canada, is a country seeking immigrants. Israel, like Canada, is trying to add to its population by immigration, and it has been our policy since the war—and I have no doubt it was before—not to go to countries of immigration to look for immigrants. In other words, we do not try to encourage immigration into Canada from Australia, from New Zealand or from South American countries that are seeking to get people, or from Israel. I thing I am betraying no confidences when I say that representations have been made to us more than once by the government of Israel to the effect that they would view with concern any attempt on our part to look to Israel for immigrants.

Now, that does not mean that anyone who lives in Israel is automatically excluded from Canada. There are many cases where families have been separated and where the husband may be in Israel and the wife here in Canada, or where the children or the parents may be there. We do try to provide through the legation which was recently established in Israel a very limited service to deal with humanitarian and compassionate cases of that kind; but we are not seeking immigrants from Israel. As a matter of fact I think I may say that our department, like all other Canadians, welcomes the peaceful development of Israel and we do not want in any way to compete with them for people, and I do not think it would be a friendly act to do so.

It may be that there are individuals in Israel who would very much like to come to Canada, but if we systematically encouraged that kind of movement I think it would be considered by the authorities there to be a regrettable interference with what they are attempting to accomplish.

Mr. Michener: Will the minister permit me to ask a question on that same subject? That of course is an understandable point of view, but there is a different consideration where families are concerned.

Mr. Pickersgill: Oh, quite.

Mr. Michener: The grievances that have come to my notice with respect to emigration from Israel relate to relatives here who want to bring close relatives from Israel, and they are finding the greatest difficulty in doing so because apparently there is no machinery for dealing with that situation.

Mr. Pickersgill: Of course, by close relatives I mean close relatives in the strictest sense. I mean parents and children, not nephews, not cousins or collateral relations of any kind, because I suppose a great proportion of the

[Mr. Pickersgill.]

population of Israel have relatives somewhere in North America and if the net were widened at all it would not mean anything.

Mr. Michener: I am referring to close relatives.

Mr. Pickersgill: In the same sense?

Mr. Michener: For example, the daughter is free to come but there is no way to see whether her medical or other qualifications, formal qualifications, can be met, and so it is impossible for families who have close relatives to be reunited.

Mr. Pickersgill: I think that situation is improving a little and will improve quite a bit more when our mission there has really found its feet. Of course, it has just been established in the last few months, as hon. members know.

I now come to the question of migration to the United States. I suppose I can make an answer that strictly speaking, in the narrow sense of the term, it is not the business of the immigration branch at all, but I am not going to make any such answer. I was asked some questions about this upstairs and I gave a table which is to be found on page 61 of the evidence of the estimates committee dated Monday, February 28. It was derived from the United States statistics. The hon. gentleman suggested that this should be put on the record. I wonder whether I might have the consent of the committee to have the second paragraph on this page inserted in the record without reading it?

The table follows:

Hon. Mr. Pickersgill: The question asked was the number of emigrants from Canada to the United States during the period 1945 to June 1954. I have here the number of emigrants from Canada to the United States for the United States fiscal year, July 1 to June 30 during the period 1945 to 1954:

Year	Total
1945	11,079
1946	20,434
1947	23,467
1948	24,788
1949	24,516
1950	21,885
1951	25,880
1952	33,354
1953	36,283
1954	34,873
Total	256,559

These are taken, for the period 1945 to 1950, from a Dominion Bureau of Statistics report which quotes the United States immigration and naturalization service as the source thereof. The figures for 1951 to 1954 were taken from a report prepared by the statistical branch of the United States immigration and naturalization service.

Mr. Diefenbaker: What is the total for 10 years?

Mr. Pickersgill: The total for 10 years is 256,000.

Mr. Diefenbaker: And these are naturalized Canadians?

Mr. Pickersgill: It represents Canadian citizens, whether native-born or naturalized. I am not really quite convinced that it is the net figure because, as everyone knows, particularly for Canadian citizens, and more particularly for Canadian-born citizens, there is the very greatest ease of movement back and forth across the border. I suspect that on many occasions someone is shown in these United States figures as having been a Canadian immigrant to the United States who goes there and perhaps spends a year, and then comes back, and is not registered as a returning Canadian resident in the United States but merely as a visitor over there, and therefore we do not get the net figure. The difference would not be very great.

Mr. Diefenbaker: Has the minister any figures to show the numbers who left Canada but were not naturalized?

Mr. Pickersgill: I am coming to that. I do not think I have forgotten the hon. gentleman's question. I have no figures of any kind in which I would place the slightest reliance to show what number of immigrants or aliens, even though they were not recent immigrants but resident in Canada for some time, may have gone to the United States in the past 10 years. I would be incredulous of the figure the hon. gentleman gave. Two hundred and forty thousand strikes me as much too high in relation to what we do know about the increase of the population of Canada over this last decade.

However, I think we will be able, when the census is taken and we get the figures in 1956, by the process of taking the natural increase and the known figures for immigration to arrive at a pretty fair figure of the numbers who have been lost, not only to the United States, but to all countries, by every form of emigration. Of course, it will not be possible from the census to break them down, but we will get the global figure in that way. To be quite candid about it, this to my mind is one of the biggest advantages of having the census taken in 1956, but I do not think we will really have any firm idea of what the net effect on the Canadian population has been of the post-war immigration until we have the census figures. As a matter of fact, I would appreciate from any source any practical, workable suggestions for measuring the emigration from Canada. It would be of the greatest possible help to the planning of our department to have such figures. We try to get every bit of information we can, on which we can place any reliance. For a variety of reasons unless we establish inquisitorial methods, it is very difficult to get it, except in the way I have suggested when the census is taken.

To come to the other question asked by the hon. member for Prince Albert (Mr. Diefenbaker), about the checking of the applications for citizenship: as I think all members of the committee know, an application for citizenship must be filed with the clerk of the court. That is prescribed in section 27 of the act. It must be posted by the clerk in a conspicuous place in his office, or as otherwise prescribed by regulation, continuously for a period of at least three months before the application is heard by the court. The purpose of that is not merely to check the possibilities of what, I hope, I will not be misinterpreted in describing in a general way as subversive tendencies, but also to check the ordinary police records of applicants for citizenship. As the committee knows, under the Immigration Act the minister has a certain responsibility if landed immigrants are convicted of crimes involving moral turpitude. It enables interested persons to make representations to the court. The onus is placed on the judge of deciding these questions of good character and potentialities for good citizenship of the kind mentioned by the hon. member.

It is no secret, I think—at any rate it will not be from now on—that the department does avail itself of the services of the R.C.M.P. for that purpose. It may be that once in a while, in an individual case, something may happen so that it is not done as it should be. I would be very much surprised if there were not a slip once in a while. I am sure the county judges who do this work all over this country—I can say this from my own recent personal knowledge because I recently wrote a circular letter to all of them and have had a series of most interesting replies from many of them—are taking a deep personal interest in this work. I am glad to say that I think most of them are more concerned about giving a little encouragement to these people to become good citizens than trying to find too many flaws in their records. But if there are serious flaws, we try to do our best to find them, and I think the judges do too.

Mr. Zaplitny: Mr. Chairman, I wish to comment briefly on a question raised by the hon. member for Vegreville to which the minister has already made a reply. I do so because I think that the matter he raised is important beyond the technicalities involved. I am very glad that the minister has admitted that the department—I shall not use the words

"was at fault"—certainly was not using good judgment in some of the letters that went out. The hon. member for Vegreville stated that it amounted to an insult to have the kind of letters that were written to applicants. The minister and others may have thought that a rather strong word, but in view of the circumstances I think that was well justified because there has been, I think, a tendency for a certain amount of double talk on this question of these nations that have lost their sovereignty. When one takes into consideration that only as recently as the 8th of July, 1953, which date has some significance in that it was fairly close to a national event which took place that summer, the Prime Minister himself, speaking to the all-Canada congress of the Ukrainian Canadian committee, used these words, I would like to place them on the record because I think they are rather important coming from the Prime Minister of Canada. In reference to the struggle for the independence of the Ukraine, he used these words:

> There may be many setbacks and disappointments, but all who believe this world is presided over by a Divine Providence must believe that one day the Ukrainian people will find a solid basis for political and cultural self-expression under a government, which, because freely chosen, will freely represent them. Then the long night of oppression will be over.

I quote those words with approval. All through that speech made on that date the words "Ukraine" and "Ukrainian people" appear again and again. With that background and taking that into consideration, one can easily understand the disappointment and shock that a person would feel on receiving a letter from an official in the department of immigration informing him quite blandly and bluntly that there is no such place as the Ukraine.

Mr. Pickersgill: No such country.

Mr. Zaplitny: One can imagine the reaction of anyone who fell under similar circumstances. I believe that the minister has done himself a great deal of good today by having quite frankly and openly admitted that it was at least bad judgment and agreeing to have that change made. While on that subject, I think, because of the general interest in the question, it could be pointed out that when the minister referred to the political regions concerned, the impression should not be left that any large number—and certainly not the majority of the immigrants coming in recent years to Canada—of Ukrainian origin came from jurisdictions under the U.S.S.R., because that is not the case. As a matter of fact, at the end of the second world war the Ukraine was partitioned, as hon. members know, into four separate regions. There was a part under the U.S.S.R., a part that came under Poland, another portion that came into Austria, and a part under Czechoslovakia.

Mr. Pickersgill: Did the hon. gentleman say "the second world war"?

Mr. Zaplitny: The first world war. That situation continued until the second world war. As a result of certain agreements into which we entered at Yalta and other places the situation came about whereby all the regions known as the Ukraine fell within the boundaries of the U.S.S.R.—not only the Ukraine, but at least a part of Poland and a good part of some other nations. When that came about, the great majority of those who left those regions, and for the time being were in a state of exile as displaced persons in Germany, France and other countries, were people who came from that area which had been under Austria and under Poland. There would be a minority, and probably a small minority, that would be from Russia proper, simply because of the fact that they could not get out. Under those circumstances I should not like the impression to be left that they came from the U.S.S.R. in the first place, because they did not. Therefore stating to a person that he must not use the word "Ukraine" as his country of birth is not asking that he state his correct nationality but, as a matter of fact, it is almost forcing him to state his wrong nationality by trying to force him into a region from which he did not come.

I am glad that matter is being cleared up. It has more effect in the long run, as I said, than has the technical matter involved. As the minister will realize, and as do all hon. members, the cold war has not ended and the forces of communism in the Ukraine and in Moscow are extremely anxious to obtain any material on which they can lay their hands, and on the basis of which they can make political hay or propaganda. It is matters like these which cause discontent and irritation—and quite justifiably so—which fall into their hands and which are built up and exaggerated to great proportions in order to discredit the democratic countries.

I believe it is a fortunate thing many of the countries of the free world, particularly Great Britain, have taken some steps in recent years which have brought to the side of the western nations and to the side of freedom the peoples of Asia. I think it should be stated at this time that the one great act of statesmanship performed by the government of Great Britain under the leadership

of Right Hon. Clement Attlee, when they granted independence to India, did more to tip the scales in favour of the free countries, so far as Asia is concerned, than did any other event since the second world war ended. One can imagine what kind of a field day the communists would have had at Bandung recently had it not been for the fact that Nehru and others were there to speak for the democratic world.

These things which may appear to be small on the surface and perhaps unimportant in the eyes of some people have projected themselves into the international sphere with an importance quite beyond that of their immediate effect in our own country. I think it is quite important that, from time to time when these matters arise, the minister be as cautious as possible and try to straighten the situation out before it creates resentment in the first place and before it becomes, in the second place, an excuse or a thin edge of the wedge for the communist forces, supplying them with something with which to make propaganda.

I think the minister is to be commended for the attitude he has taken today. I think the hon. member for Vegreville is to be commended for having brought this matter to the attention of the committee.

I think the minister is rather painfully aware—from the rather painful emphasis placed on a certain incident—of how easy it is to do something which causes resentment. In this case I think he has to a great extent retrieved himself by taking prompt and, in my judgment, reasonable action.

Mr. Pickersgill: Mr. Chairman, I should like to express my appreciation to the hon. member for Dauphin. I agree completely with everything he has said. I must say that no one could regret more than I do that this action was taken. In fairness to the officials who took it, I feel I must say this. I do not object at all to the word "insult", but it was a most unintentional one. The moment the matter was drawn to my attention, the greatest regret was expressed by the officials concerned. These are devoted people who work extremely hard in this branch; and the last thing they want to do is to hurt the feelings of any Canadians, no matter from where they come.

Mr. Zaplitny: In order that there may be no misunderstanding may I at this point say that, so far as I am concerned personally, I have found that we have received good co-operation from the officials of the department of immigration. I am certainly not trying to leave the impression that anyone intentionally tried to insult anyone. But that is the reason I drew attention to the international phase of this situation. I think it is important that the Secretary of State for External Affairs and the Minister of Citizenship and Immigration work rather closely together in order that the policy of the government on these matters may be clear.

May I be permitted just to continue for a moment or two and say that the same situation will arise in a short time with respect to other countries. There is that sector, as I have mentioned, of Poland which is now in the U.S.S.R. There are the Baltic countries which find themselves in the same situation. For the time being the department has ruled that any territorial changes made as a result of the second world war shall not be taken into consideration. That ruling is fine so far as it goes, but the dead hand of time has a tendency to condone the acquisition of territory by conquest. We have seen that thing happen. I hope the government of Canada will be alive to that situation and will not allow itself to fall into that trap in the future.

Mr. Dinsdale: I am grateful, Mr. Chairman, to have at last been able to catch your kindly and benevolent eye. As a matter of fact, I have been waiting since last Friday to make a few remarks on this important subject of immigration. Usually under these circumstances there is a tendency for speeches to accumulate and to gather momentum; but I assure you, Mr. Chairman, that I shall be brief in what I have to say here this afternoon.

I want to deal for a moment with the Department of Citizenship and Immigration and its appearance before the committee on the estimates. I do so because I arrived on that committee late in the proceedings. My name was added to the membership when the departmental discussions were half concluded, with the result that I did not have an opportunity actually to take part in the important preliminary discussions which endeavoured to appraise the effectiveness of the committee method of handling the estimates of the various departments. I am also dealing with it briefly because I feel that this is an important innovation in our parliamentary procedure.

Unfortunately I came away from that committee feeling that we had not accomplished too much by way of settling fundamental difficulties and misunderstandings relating to the Department of Citizenship and Immigration. From the extended discussion which has gone on with respect to this first item, I think it will be concluded that other members are of the same opinion.

In my opinion there are three reasons why the discussion in the committee on estimates

was not as successful as it might have been. I am going to state those three reasons briefly and quite specifically. First of all—and there was some discussion on this point—I believe the committee felt somewhat inhibited because of the presence of the minister in a dominating role. I know the interpretation of the minister with regard to the work of the committee. He regards it as a miniature of the committee of the whole sitting on the estimates. Unfortunately, if that precedent becomes established where a department comes under censure by public opinion, there is a great possibility of the committee being substituted for a full-blown committee of inquiry, with the result that this estimates committee could become merely a whitewash procedure.

Mr. Pickersgill: Mr. Chairman, I hesitate very much to interrupt the hon. member for Brandon-Souris, for whom I have very great esteem, but he is a member of parliament senior to me and it does seem to me there is a rule of the house that a question which has been decided should not be further debated in the same session. The question of whether the minister should be a member of the committee was debated and decided by the house.

Mr. Dinsdale: Mr. Chairman, I do not know whether you are going to restrict me in discussing this point in a general way. As I have already indicated, I think it is important that particularly the members of the house who took part in the proceedings of the committee should have an opportunity to give their viewpoints on the matter. I am not actually saying that the minister should not be permitted to be a member of the committee. I am merely indicating that, from my standpoint at least, one of the reasons why I feel the committee was not as effective as it might have been was that the minister was there in a dominating role. I have not sought to deny him the right to be a member of the committee. He, as a native of Manitoba, has all the geniality of most Manitobans, and from that standpoint he added much to the atmosphere of the committee. In fact on certain occasions during the discussions the minister, by flattery, cajolery and the general art of ingratiation, was able to create an atmosphere of considerable congeniality.

I think the effect was somewhat disarming because when a member of the committee like the hon. member for Moose Jaw-Lake Centre, a man of considerable discernment, indicates at the end of the discussions that he is completely satisfied with what has taken place, one becomes aware of the minister's skill so far as winning friends and influencing people is concerned. Unfortunately, however, instead of the committee acting as a group conscientiously considering the many problems relating to immigration—they have been referred to here this afternoon and last Friday—the committee tended to become somewhat of a mutual admiration society.

That brings me to the second weakness that appeared in the committee. In my view it became a mutual admiration society because of the inability to call for persons and papers outside of the department.

Mr. Winters: I wonder whether the hon. member would mind if I raised a point of order. This particular matter was debated and voted on, and therefore I think it is decidedly out of order to debate it at this time. I wonder, Mr. Chairman, whether you would see eye to eye with me on that point.

The Chairman: I had intended to rise previously when the Minister of Citizenship and Immigration raised his point of order, but I thought the hon. member who had the floor was concluding his remarks. I must find that I agree with both points of order that have been raised, and I must ask the hon. member for Brandon-Souris to confine his remarks to a general discussion of the affairs of the Department of Citizenship and Immigration, as we usually do on the first item of a department. I realize we are breaking new ground in that this is the first time a department's estimates have been considered in committee of supply after having been considered in an estimates committee.

At the same time, our rules have been well established over many years and they generally give us the opportunity of debating certain matters at the most opportune time. On the first item of the Department of Citizenship and Immigration we have one of the best opportunities to debate the policies and administration of the department. This is certainly not the best opportunity to debate the proceedings of the committee on estimates or the advisability or inadvisability of having a committee on estimates. Therefore I must ask the hon. member to confine his remarks to a discussion of the affairs of the department.

Mr. Dinsdale: Thank you, Mr. Chairman. I shall abide by your ruling and will simply conclude this part of my remarks by saying that in dealing with the problems facing parliament in this day and age, when the business of the house is growing in complexity, unfortunately we tend to resolve the difficulty by shortening discussion instead of providing for new procedures and techniques that would bring about a broader, wider and deeper discussion of parliamentary matters. That is not in the best interests of the parliamentary processes, as many authorities

have said in recent days in writings on such themes as the passing of parliament and so on.

I turn now to a few general remarks on the department. Since the estimates committee met, I have had occasion to present two or three cases to the immigration department for its consideration. While there was an indication during the proceedings of the committee, if I may refer to that body, that the processes would be speeded up and matters expedited as the result of the representations made there, I have discovered that we still face the same difficulty of delayed decisions on certain immigration matters. There is the same confusion, the same pious platitudes referred to in the press, and the same tendency to talk around the point. With respect to one case dating back to 1953 I have received a reply from the minister reading in part as follows:

> I am unable to state when these inquiries will be completed but you may be certain the officials concerned will do their utmost in the matter. I shall of course keep you informed of developments.

I have been receiving the same answer since March, 1953.

There is one specific point I should like to raise at this time relating to Chinese immigration. I am given to understand that the regulations relating to the migration of Chinese citizens into Canada apply to Chinese-American citizens in the same way as they do to any other prospective oriental immigrants.

Mr. Pickersgill: It is persons of Chinese race.

Mr. Dinsdale: Persons of Chinese race. Well now, that leads me to make another brief comment on the lack of lucidity in departmental policy. According to the general statement of 1947 one of the major categories in determining who were eligible to migrate to Canada was this factor of not altering the fundamental character of the people. It is difficult to know what is meant by "fundamental character". It is difficult to know whether it means race, culture or the other characteristics that might be summed up in that phrase "fundamental character".

In the case of a Chinese American citizen, of course, there is no difficulty of assimilation because his background is largely American. He has been educated in American schools; he thinks as an American, and there is no difficulty whatever from the standpoint of assimilation or from the standpoint of cultural conflict. It would appear, therefore, that one interpretation of this very vague definition of policy is definitely discriminatory on the basis of race. I should like to submit that that is not a very enlightened policy in the year 1955 when the world has become a veritable whispering gallery, and when we are faced with all these sociological threats of the atomic era.

I shall bring my remarks to a conclusion, Mr. Chairman, by stating that last evening we listened to a very comprehensive discussion of the immigration problem by the hon. member for Cartier. There is no need for me to repeat the many excellent points he raised in that discussion, but I think it is a speech that deserves the consideration of the department. Certainly he set forth a much more vigorous, much more visionary policy for 1955 than the studied vagueness of the 1947 policy which it would seem the department is still following.

Mr. MacKenzie: I have no desire at all at this time to hold up the estimates of this department. I must say that, by and large, I have had very good co-operation from the immigration officials. I have found them most co-operative when cases had merit and when there was some justification for bringing people into Canada.

But there is one particular case that has caused me a great deal of concern. I have written a great many letters and done a lot of telephoning in connection with it. I am not sure it has been brought to the minister's attention. The case concerns a family that I knew very well in Shanghai, China. In my opinion, they were good citizens. I believe their origin was central European, and they had a very good business in Shanghai. The family consisted of the parents, who were middle aged, a daughter who was married and the son in law. The daughter and her husband came to Canada a few years ago and settled in Vancouver. They would have brought the parents at that time but they were not in a financial position to pay the passage and, in any event, they had no place in which to settle.

These people have now become well established in Vancouver, and are endeavouring to bring the parents to Canada. Since Canada has no representative in China, I believe communication is had through the British consul situated in Shanghai. Application has been made to the British consul and a Canadian visa has been obtained. The parents have had their medical and have all assurances that they can come to Canada, but they are unable to get an exit permit from the Chinese government. My opinion is that they have never been able to get their case understood by the right authorities in China, because there would be no logical reason for the Chinese government keeping them there. They will never contribute anything to the national life, and they are only consumers.

I would suggest that the minister might use a little influence with the British consul in an attempt to show the Chinese government that these people should be permitted to come to Canada. I do not know whether or not that is regular, but I feel sure that these people are not able to get their request understood by the proper Chinese authorities. As a matter of fact, I would not mind writing to Chou En-lai myself if I thought he would ever get the letter or that it would do any good. I suggest that something along that line could be done, because these people are very anxious to have their parents come to Vancouver. They are well established and able to provide for them, and the family should be united if at all possible.

Mr. Winch: I am in somewhat the same position as the previous speaker, Mr. Chairman. I do not want to hold up these estimates, but this committee is the only place that I can get an answer to a certain question. I should like to ask the minister, through you, Mr. Chairman, how one proves he is a Canadian citizen. I ask that question because about two months ago the department under the control of the minister sent to all members I presume—I received one anyway—a certain communication.

I want to refer to the introduction. I do not know what to call it, Mr. Chairman, because there is no heading on it. The communication has these words at the bottom of it, "Department of Citizenship and Immigration; Hon. J. W. Pickersgill, minister; Laval Fortier, deputy minister". I am not going to quote all of it, but it says this:

> As a convenience to Canadian citizens, who wish to have a certificate of citizenship which can be carried easily with them, the Department of Citizenship and Immigration now has available a miniature certificate which fits into wallet or purse.

Mr. McIvor: Hear, hear; that is right.

Mr. Winch: Yes. Farther down, the communication reads:

> The application form, (C.R.1), which may be obtained from any clerk of court or from the registrar of Canadian citizenship, Ottawa, must be fully completed by the applicant, sworn to before a notary public, commissioner for oaths or justice of the peace, and sent together with the statutory fee of $2 to—

And so on. I have not replied to this as yet because the communication says this form C.R.1 must be fully completed. At the same time as I received the communication I got a copy of form C.R.1. Here is form C.R.1. Now, Mr. Chairman, I think I am a Canadian citizen. At least, I was a member of the British Columbia legislature for 20 years, I have been here for two sessions, and no one has yet challenged that fact. If it is correct that form C.R.1 must be fully completed, then I say the reason I have not done so is that it is impossible for me to do it. It is absolutely impossible. So I am asking this question. Here is form C.R.1, and we will start on the first page. "My place of birth is"—O.K., I can prove that; I have my certificate. Then, "My date of birth is"—yes, I can prove that, because I have my birth certificate. Then, "My occupation is"—you know, that has me a bit stumped.

Mr. Pickersgill: It never bothered me.

Mr. Winch: It won't after the next election, either. I am an electrician by trade, and I sign that way. But for 22 years I have been an elected member.

Then, "Years of experience"—

Mr. Pickersgill: May I ask a question?

Mr. Winch: Sure.

Mr. Pickersgill: What occupation did he put on the ballot paper?

Mr. Winch: "Electrician".

Mr. Pickersgill: Well, that would be satisfactory.

Mr. Winch: Fine. It says, "State any other occupational skills". Do I say "M.P."? However, that is only by the way. But these questions can bother an awful lot of people.

And now I am coming to the important part—because I was not born in Canada, I was born in England. The minister is shaking his head, because he does not know what I am coming to. But you will shake your head the other way when you do.

Now, look, almost underneath this, on the front page, it says, "I am a Canadian citizen by"—well, I can come only under two of these classifications, namely (B) (C). We find that (B) says, "Birth outside of Canada. (See appendix A)". And then classification (C) says, "Being a British subject with Canadian domicile, or by maintaining a place of domicile in Canada for 20 years immediately before January 1, 1947. (See appendix B)".

I could come under only those two classifications. All right; now let us turn to the back page, to appendix A and appendix B—and I am not being facetious about this, at all. I am only referring to it because of this document—which I cannot properly name—which says that form C.R.1 must be fully completed if I want to have proof that I am a Canadian citizen.

O.K.; let us now look at appendix A and appendix B—because I must come under

either one or the other. Let us look at appendix A. Well, sir, I can answer only one question in appendix A—and I have no proof of even that one. I can answer it only because I honour my father.

What is the first question? It is this: "My responsible parent"—yes, "my responsible parent"—I honour my father. I will answer it that way. But I always thought it took two to have me born.

Mr. Pickersgill: It only takes one to make you a Canadian citizen.

Mr. Winch: Maybe so, but it takes two to have me born. So, who is "my responsible parent". Is it my mother or is it my father?

Mr. Pickersgill: I think I had better answer the hon. gentleman now.

Mr. Winch: Oh no, let me go ahead.

Mr. Pickersgill: I do not know whether the hon. member wants an answer.

Mr. Winch: Let me go ahead; answer later.

Mr. Hosking: He is only wasting time.

Mr. Winch: I beg your pardon?

Mr. Hosking: I said you are only wasting time.

Mr. Winch: Well, I don't think I am wasting time for the mothers and fathers of this country when I question having to answer who "responsible parents" are.

Mr. Cameron (Nanaimo): Maybe we will find out what babies the minister was talking about in Victoria.

Mr. Winch: I don't think I am wasting time. Now, this is something!—"My responsible parent". You know, it hit me as being wrong, as soon as I saw it. You ask me who my responsible parent is. That was an absolute insult, as soon as I saw it.

Mr. Pickersgill: Well, would the hon. gentleman let me answer.

Mr. Winch: You can answer after I am through.

Mr. Pickersgill: Certainly, and I shall be glad to.

Mr. Winch: "My responsible parent"—O.K.; let us go on after that. I come now to this: "Who was admitted to Canada on"—well, I know I came here in 1910. But, according to this, I cannot tell you the date, nor can I tell you the port of entry or the ship. In fact, I cannot tell you anything that would have to be answered in appendix A—except that my dad is Ernest Winch. That is all I can tell you. So, in this document you sent around to us a few months ago, which says that appendix A must be fully completed, I cannot answer the questions.

Then, suppose we go on to appendix B which, first of all, asks me to "Give full particulars of your entries and departures". Then it states "First arrival at"—and then there is a space for the "port", the "date" and the "ship".

Sir, in appendix B I cannot answer one single question.

Mr. Hosking: You could find out if you wanted to.

Mr. Winch: Time after time, in old age pension applications, we hit this question: When did you arrive at the port of entry, on what ship and on what date? And it cannot be answered. I cannot answer it, to get my own little card that I would like to have; because it says here that I must fully complete this document. I would say that to complete it would be almost an impossibility for the great majority of people born outside of Canada.

So I would ask the minister now—and he has been jumping up several times—to explain how you prove you are a citizen, under your orders, when it is impossible to complete the document that you say has got to be filled out in full.

Mr. Pickersgill: Well, Mr. Chairman, the hon. gentleman shares with me and with a few other new members the distinction of having had no part in defining the phrase "responsible parent", because neither he nor I was here when the act was passed. However, most members in the house helped to pass the Canadian Citizenship Act; and if before making his speech this afternoon, the hon. gentleman had looked, as I should have thought, as an experienced legislator, he would have done, at the legislation upon which this document is based, he would have found that the expression "responsible parent" is defined in the interpretation section.

I do not think there is need for me to waste the time of the committee in reading the section, because most hon. members helped to put it through parliament.

But, of course, that is not the point at issue. If the hon. member had read the document at all carefully he would have seen that all he needed to do to establish the fact that he is a Canadian citizen was to indicate, as he has indicated today, that he was a British subject and had resided in Canada for 20 years before January 1, 1947. And, having done that, no other proof of any kind would have been necessary.

Mr. Winch: "And", "and", "and"—sign appendix B. Come on, now—sign appendix B; that must be done. And I cannot answer appendix B—I cannot answer one question in it.

Mr. Pickersgill: Well, if the hon. gentleman would send me his birth certificate I would have the form filled out for him, and save him the trouble.

Mr. Winch: O.K. But it is not going to stop there, because I am not interested myself. I know that, without doubt, I could have gone to my friend and got my certificate. I am talking on behalf of the thousands of people in Canada who get this form and do not know what to do with it; I am not worrying about myself.

Mr. Pickersgill: As a matter of fact, Mr. Chairman, on that point, the hon. gentleman read in the circular that the thing to do was to go to the clerk of the court. I think he would find that any clerk of the court would be willing to help him. I admit that some of the language sounds a little silly. I shall have a look at it to see whether we can improve it.

Mr. Winch: And the questions are stupid.

Mr. Cameron (Nanaimo): Perhaps there is something more than merely faulty language to it. I had the same reaction as the hon. member for Vancouver East and I was in the same position myself. I could not tell you what port I landed at or the date on which I landed. I was a child at the time. It is getting close to 50 years ago. But there are quite a lot of people in Canada who might have very serious difficulty in proving to you that they were qualified under that section. They were born in Britain; perhaps they had a British birth certificate. They might not even have that, and they might have great difficulty in proving that they had lived in Canada for the sufficient length of time.

Mr. Pickersgill: That of course was one of the reasons why the 20-year rule was put in. It was to obviate that kind of difficulty. If there are any serious difficulties of this sort I shall be very glad indeed to give consideration to them. I recognize that the hon. member for Vancouver East is having a little fun at my expense.

Mr. Winch: No, sir.

Mr. Pickersgill: But I think that most of us, myself included, have difficulties, even though I have not the difficulties of either of the hon. gentlemen who have just spoken, but I have some others. I am allergic to forms. I hate filling them out. I get my secretary to do it, and she seems to know how. I do think there is a great deal to be said for simplifying those forms in any way that that can be done; but there is an inherent difficulty. When you live in a country as we do, a country with immigrants from all quarters of the earth, the number of variations of experiences is so great that it is very hard to get a simplified form that will elicit the first time all the information that is necessary, and you have to balance, on the one hand, asking too many questions, and sometimes too complicated questions, against on the other hand having to write a second letter, which is also very annoying to applicants.

Mr. Winch: I understand that and, Mr. Chairman, please, I am not trying to embarrass the minister.

Mr. Pickersgill: I do not suggest that; I know you are just having fun.

Mr. Winch: No; it costs almost $6,000 an hour to keep the House of Commons in session, and I am not having fun and will never have fun at that expense. Did the minister know—and this applies to members of the House of Commons—that under his name the form says that C.R. 1 has to be fully completed in order to get your registration and your certificate as a Canadian citizen, and did he know what it entailed because, sir, I cannot answer completely any of these questions?

Mr. Cameron (Nanaimo): I do think that we who were, shall I say, unfortunate enough not to have been born in Canada and at the same time to have been born in the British Isles are in a rather anomalous position in Canada. We are, you know, Mr. Chairman, rather in the position of the man who said he was the only person in the gallery who had a certificate to prove that he was sane.

Mr. Pickersgill: That was in the house.

Mr. Cameron (Nanaimo): Well, sometimes I have felt that we are almost in a worse position than the other people who were born in Germany, in Italy, or anywhere else. They have a certificate to show that they are Canadians, but we who were born in the British Isles are sort of left floating in the air. It is rather difficult for us to prove our status. The minister should examine the wording of the act. Perhaps it may have to be amended to clear up the position of people like ourselves. It is simple enough for individuals like the hon. member for Vancouver East and me; we can prove it, but there are a lot of people who cannot.

Mr. Huffman: May I bring to the attention of the minister the problem of young people born to naturalized Canadians but of foreign birth? These young people grow up and attend our Canadian schools and universities. The

young graduate from time to time finds lucrative employment in the United States or in some other country. Many employing companies feel that these young people will remain employed much longer if they become citizens of the country in which they are working, and often pressure is exerted on them to this end; consequently, they give up their citizenship. At this time I know that a number of these young people would like to return to Canada, but they hesitate to do so because they are required to wait five years before attaining Canadian citizenship again. May I recommend to the minister that this class of people be regarded as those coming within the one-year residence requirement for citizenship. I believe that these former Canadians will prove to be a great asset from the experience they have gained outside of Canada. This matter comes to my attention rather forcibly because only this week I had a senior class of boys from a Chatham school. This school was represented by seven different language groups. I believe the situation also comes about because of our close proximity to the United States border.

Mr. Pickersgill: That is a provision of the law now. If they are natural-born Canadians it does not matter who their parents are.

Mr. Huffman: These young people came to this country with their parents, who were of foreign extraction.

Mr. Pickersgill: They were not born in Canada.

Mr. Huffman: That is correct.

Mr. Pickersgill: The provision is only for natural-born Canadians.

Mr. Weselak: A great deal of emphasis has been placed on some statistics in this debate in regard to questions relating to date and port of entry, and so on. I have had occasion to handle dozens of applications for citizenship for various people from various parts of the world in my constituency. In the majority of cases they do not know their port of entry or the exact date of entry and other related details; but I have always found that as long as the basic qualifications for citizenship are established the department has never refused an application on the ground that this information is not available.

Mr. McIvor: I will be brief, Mr. Chairman. The minister and the officials of the Department of Citizenship and Immigration have a great job to do in settling all the differences that come to them from every country in the world. Like the hon. member for Kent, Ontario, I have had something to do with the officials of the department and they have treated me fairly well. I did not get all I wanted, but perhaps I wanted too much. I know I wanted two Chinese boys out in Fort William whose fathers were citizens of Canada, and I have not been successful in getting them in yet, but the fight is still on.

The reason I rose was to say that I tried for two years to get a family out from Poland. They were Hebrews or Jews. We got them out, and that family has been a credit to the country they came from and an asset to Canada. The boy and girl have now graduated from the university and they paid me the great honour at Christmastime of addressing me as Rabbi Dan McIvor. I have a case now that bothers me, and I tell the minister that I am not going to let go. The young man in question has a father and mother, uncles and aunts and brothers and sisters in Fort William. He did a bad deed, but of course the temptation was not considered. He is now to be deported. His case should be reconsidered. I am sure that the parish priest and I will go good for the conduct of that boy in the future. It is not fair to punish his family by sending him out of Canada. He is now in Guelph. I can give the full particulars to the minister, and I shall keep on trying for his answer. I ask that this case be reconsidered, and not ended, as the letter which I received today indicated.

Mr. Winch: There is one statement I should like to make, Mr. Chairman. I always like to be absolutely honest. I do want it known that since I first came here as a result of the election on August 10, 1953, I have had a number of immigration cases. I ran into trouble on most of them. I want to say, because I think it is only fair to say it, that since the present minister has been in his post he has reviewed all the cases I have drawn to the attention of his department since I first came here. All have been adjusted by him, with the exception of one, and it is not his fault that this last one has not been adjusted. I want to say that I have had the finest co-operation from the minister and all cases have been satisfactorily adjusted.

Mr. Regier: Mr. Chairman, I want to make it plain at the outset that anything I might say is not with the idea that I am opposed to immigration. I am not opposed to immigration. I realize that all our forefathers were immigrants at some time, and some of them were even more than immigrants; they took over this country by brute force. The only genuine Canadian babies are the Indians and Eskimos in our country.

I should like to add one little matter to a point that was raised by the hon. member

for Vegreville and the hon. member for Dauphin. When Canadians, even though they have been in Canada for a good number of years and are naturalized, happen to go to the United States just for a day or so, one of the first things they are asked is "Where were you born?" If the answer is, "Well, where I was born is now under the jurisdiction of the Soviet union", we find that Canadian citizens are at times unduly subjected to unnecessary interrogation. I believe that if adequate representations were made by the minister in co-operation with the Secretary of State, that difficulty might be eased somewhat.

Many of those people came to Canada many years before what is now the soviet regime had control over their territory. Because that area is now under soviet domination, these people face hours of interrogation at times. The Americans are rather sensitive, and I take it they want to make very sure that no communist is allowed entry into the United States even for a visit. I think that in those cases where this takes place the officials proceed merely under orders they have received from the authorities in the United States government and they do not mean any ill at all, but it causes considerable irritation in the minds of many Canadians.

A matter I wish to speak on is this problem of whether immigrants cause unemployment. I think most Canadians might say it has not been proven that immigration causes unemployment. However, I think that depends on what type of immigration we have into Canada. In looking at our Canadian population we see that out of some 15½ million people, some five million are in the Canadian labour force. In other words some two-thirds of our population—67 per cent of Canadians—who are not in employment could be classed as dependents. If we want to show that immigration does not cause unemployment, then I believe the same ratio would also have to apply to our immigrants. However, if we take a look at our statistics we find, for example, that in the year ending March 31, 1953, less than 46 per cent of the immigrants were classed as dependent wives or dependent children. I think the figure for last year is about the same.

I believe that is a clear indication that we are not receiving the average family such as we have in Canada. I think the percentage of single people entering Canada looking for immediate employment is far out of line. I often wonder whether these immigrants have no wives and children, and how it is that often much more than half our immigrant population seeks and obtains direct employment. I think the possible origin of this wrong percentage stems from the fact that it seems to be the policy of the government to lay down rules and regulations under which immigrants may come to Canada if they wish.

I feel that is a wrong attitude to take. I think our Minister of Citizenship and Immigration, with his cabinet colleagues, should decide on what immigrants the Canadian economy needs and then should actively pursue a course to see to it that we obtain these immigrants. They should not merely lay down rules and regulations and have a staff of civil servants administer them and leave it to the employers in Canada. Often employers look for immigrant labour because they can for a limited time obtain that labour at lower wage rates. I agree that we need a greater population in Canada, but I am also convinced that it is up to the Department of Citizenship and Immigration to make sure we do obtain the immigrants we wish.

The hon. member for Prince Albert mentioned possible immigration into Canada from Israel. I understand that there are almost three-quarters of a million displaced persons immediately outside Israel. If we need more people in Canada, and I agree that we do, I sometimes wonder whether such a wealthy nation as Canada could not undertake such measures to relieve some of the serious tension that exists there. We all know that when the state of Israel was formed, roughly three-quarters of a million people of Hebrew origin flooded into that state. At the same time almost the same number of natives of Israel left the land and are today, and have been for years, looked after by the United Nations. The Arabic nations around the borders of Israel do not want these people to become permanent residents, and the state of Israel, naturally enough, does not want the people of Arabic origin to re-enter Israel and become settled there.

When I look at the table for the year I previously mentioned I notice that in that year we admitted 4,539 immigrants of Hebrew origin. People of Syrian origin are listed as 184. People of Arabic origin are listed as 70. When there is a camp—a future trouble spot—with three-quarters of a million displaced persons, and from those displaced persons as well as the four or five nations around Israel we admitted only 254, I hardly think we are doing everything we might do.

My main reason for rising in this discussion of the first immigration item in the estimates was to protest immigration policy in regard to citizens of India. I believe the same would apply to citizens of one or two other nations

near India. I believe we have an agreement with the government of India and one with the government of Ceylon—and, I think, with one or two other similar nations—whereby we set a limit on the number of immigrants Canada will take. We do not set such a limit on other regions of the world, even on some of the other coloured regions of the world.

I feel that the continuance of this quota arrangement is not in the best interests of our nation. I agree that no matter how wide we opened the door to orientals or to immigration from India we would not ease the severe overpopulation and economic hardships over there. However, by the very fact that we have a quota we are showing racial discrimination. Whether we are prepared to admit it or not, it is nothing short of racial discrimination, and it is keenly resented by these people. I realize that the quotas may have been agreed to by the governments of those countries, but we have quite a few of those people living within our nation. They are showing themselves to be good citizens, and they deeply resent this racial discrimination.

Then, I do not like the harsh interpretation of the immigration laws and the way they are being applied to relatives of Canadian citizens of Chinese origin. I think we are being unduly afraid lest there enter Canada in any one year 100 or 200 Chinese more than we are obliged to admit. I think we are being overly cautious. I would not think that a great catastrophe would happen to Canada if one citizen of China was able to enter the country and settle in each of our ridings, or a total of 265 who, under our present system of law enforcement with regard to the Immigration Act, would not be allowed in. I think we are being overly cautious and that we are asking far too much of a people who have never followed the type of record keeping that we follow and who have the most difficult time in producing evidence.

I do not feel very happy about the great authority given to officers of the immigration department. I realize—and I believe the minister said this last year—that the minister must rely on the word of an immigration officer because the immigration officer is, after all, the only one who has a chance to see the applicant and decide whether or not the applicant would make a good Canadian citizen. However, I should like to point out to the minister the great temptations that are placed in the way of these civil servants. We hear rumours from so many places around the world that we cannot dismiss them lightly. I should not be too greatly surprised if, one of these days, one member of the House of Commons is going to be able to produce some evidence of the temptation to which these immigration officers are exposed.

I think maybe one of the causes of temptation is to be found in an advertisement for posting in the civil service of Canada, in the Department of Citizenship and Immigration. The minister is here hoping to obtain medical officers. He is asking that they be graduates of a medical school of recognized standing, with a licence to practise medicine in any one province of Canada. They must have completed one general rotating internship. Various other qualifications are attached. I notice that the salary offered is $6,600 to $7,200 a year.

Mr. Pickersgill: Mr. Chairman, I do not think this matter concerns my department in any way whatsoever. If the hon. gentleman will look again I think he will find that is so. To the best of my knowledge we do not engage doctors.

Mr. Regier: I thank the minister for his interruption. I notice that the advertisement says "Department of National Health and Welfare". However, may I say this. If that is the scale on which we pay our doctors and other qualified men who must be relied upon to carry out their obligations with the utmost integrity, then I am not too much surprised that so many of these rumours reach our offices.

I am not very happy—and I hope the minister will be able to explain the matter—about the process of screening for political affiliation that is now taking place. Shortly after the war I believe the department was extremely careful not to admit into Canada people who had nazi or fascist sympathies. I hope that situation obtains even now. I also hope there is the closest screening for people who might have communist tendencies or a faith in communism. It seems to me that, with regard to certain areas of the world from which we take immigrants, there are instances where the area of the world is more important than the matter of the possible political sympathies of the would-be immigrant. I have heard the statement made—and I think there may be some reason for it having been made—that a would-be immigrant from southern Italy, for example, is obliged to face practically no interrogation as to his political sympathies. We know that southern Italy has people who had great leanings both toward communism and towards fascism. I hope the minister will satisfy the nation that we are not letting in those people.

Mr. Pickersgill: I can clear up that point at once. There is absolutely no foundation

for the hon. gentleman's statement. The same care is taken in that area that is taken anywhere else.

Mr. Regier: I am pleased to have the minister's denial. I hope he will elaborate just a little bit further at a later time and outline to the committee exactly what he means by "the same care". I think the Canadian people are becoming a little bit alarmed, and that they would like to know just what the same care consists of.

In ending my few remarks I want to emphasize once again the point that, if we want immigrants to come to Canada—and I admit that we want them—it should be the policy of the department of immigration not only to set down the rules and regulations but to see to it that we obtain the type of immigrants we want in this land of ours. We should not leave it up to would-be employers to decide who is to enter our country.

Mr. Churchill: Catching the chairman's eye has involved much greater physical activity this afternoon than I had counted on, and I am happy to have achieved my object. My remarks are going to be along a somewhat different line. I have a question or two to ask on policy in connection with immigration, but I think I shall save them until we come to the immigration branch, to which I think the minister quite wisely has been wanting to get.

What I have to say now concerns in a general way the value the House of Commons is receiving from the work of the estimates committee. I am not going over the debate we had in the house on that matter. I am just offering some suggestions. For example, at page 426 of the report of the estimates committee, considering the estimates of the department of immigration—and this is to be found in proceedings No. 14—the minister used these words:

> I imagine that it would not be reasonable to ask the committee of supply to consider this department until the proceedings of this committee are all printed, because it would not be fair to the members who are not here, and it would not save the time that we wished to save by this procedure.

Quite right. This department did not come before the committee of supply until the proceedings were printed. But here is my objection, Mr. Chairman. If the committee on estimates is going to be continued another session I think those who take cognizance of these matters should consider very carefully some method of making it possible for interested members to find in the reports of the proceedings what items have been discussed. I spent a considerable length of time in endeavouring to locate in these various volumes the answers with respect to a problem in which I am particularly interested, and it was like searching for a needle in a haystack. I knew the number of the item I wanted to find, but how do you find it in 14 volumes of proceedings?

It surely will be necessary for some index to be put at the front of these volumes. Surely it will be necessary to print in a heading the number of the vote being considered and the title of the vote, just as is done in *Hansard*. For example, when we started the consideration of this department the following information was set out at page 3290 of *Hansard* of April 29:

> Department of Citizenship and Immigration
> 59. Departmental administration, $493,651.

You cannot find anything like that in the reports of the proceedings of the estimates committee. I shall give three examples. At the second line on page 293 of the reports of the committee the chairman said:

> We are on items 66 and 68 of the estimates.

A member of the house who was not a member of the committee has to look at the estimates book to see what is dealt with by these items. If you look at page 385 you find in the second line that the chairman said:

> We are on the items numbered 70 to 80 inclusive in the estimates of the Indian affairs branch.

Suppose a member was interested in item No. 74 under "welfare of Indians, operation and maintenance"; how would he locate it? Well, you find it at page 409 of the proceedings of the committee, about 20 lines down from the top of the page where the chairman says:

> Now, gentlemen, we are on "welfare of Indians", the first item 74, "operation and maintenance".

If we are to gain anything by the work of the estimates committee when that committee reports back to the house, the reports of the proceedings of the committee should in some way make it possible for members to find quickly where items were discussed in that committee and the topics that were considered. If the items were set out in that way and could be referred to rather easily I would think a minister might be saved some effort in making his replies here. It might even be a minister who is more reticent and somewhat less loquacious than the hon. gentleman who is responsible for this department, but I make this suggestion as an aid to the minister concerned who might say that the question the hon. member was raising could be found answered completely at such and such a page in the proceedings of the estimates committee, and that he had nothing further to add. The converse is also true. Later I intend to suggest that at such and such a page of the proceedings of the committee the minister's answer to a certain

question raised there was not complete and needs to be elaborated on this occasion.

I quite freely offer these suggestions to those in charge of preparing documents for the use of members of the House of Commons. I hope they will endeavour to prepare something for the future that will make it much easier for members of the house and others interested in these topics to find the information they would like to have.

Item agreed to.

Citizenship—

60. Citizenship registration branch, $226,598.

Mr. Michener: I understood the minister to say at our last session that we would go on with immigration first, but we are taking item 60, are we?

Mr. Pickersgill: I think the hon. member must have misunderstood me. I wanted to take the items in the order they appear in the book.

Mr. Michener: Very good. Item No. 60 deals with the registration of Canadian citizens, which is basically a federal matter and not, like immigration, a matter of divided jurisdiction. We had considerable discussion in the committee, and I do not propose to dwell on the point I wish to make; but I think perhaps hon. members would be interested in knowing something about the magnitude of the problem of registration as it appears to be developing.

I appreciate that not many of the 1,200,000 immigrants who have come to Canada since the war have yet been registered as citizens, and of course there are many who are not qualified yet because five years' residence is a basic requirement. The number who have received certificates in the past few years is in the neighbourhood of 20,000 a year. I believe the number last year was 23,000. That includes Canadians and others who have obtained certificates just to prove what my friend was worrying about a few minutes ago, as well as others who are granted citizenship certificates on application through the regular procedures laid down by the department.

Those procedures are settled by the department under authority which is fairly broad. Basically the county court system has been used for the purpose of hearing applicants for citizenship and to find out whether or not they are qualified to receive their certificates.

The Deputy Chairman: Order. I am sorry to interrupt the hon. member, but as it is five o'clock the house will proceed to the consideration of private and public bills.

At five o'clock the Speaker resumed the chair.

Small Loans Act

SMALL LOANS ACT

AMENDMENT TO REDUCE COST OF LOANS

Mr. H. R. Argue (Assiniboia) moved the second reading of Bill No. 304, to amend the Small Loans Act.

He said: Mr. Speaker, the purpose of the bill is to provide for a reduction in the maximum interest rate that may be charged by small loans companies in Canada from 2 per cent per month to 1 per cent per month. It is now 16 years since parliament dealt with the interest rates that may be charged by small loans companies. In 1939 parliament placed the present ceiling of 2 per cent per month for the first 15-month period of the loan on interest rates that may be charged by small loans companies, and reduced the rate to 1 per cent per month after the initial 15-month period has elapsed.

The purpose of the bill is to reduce the 2 per cent maximum to 1 per cent and make the maximum ceiling 1 per cent per month for the whole period over which the loan may be repaid.

The interest today, as I said, is 2 per cent per month or 24 per cent per year. I believe that just stating that maximum should itself be almost sufficient to convince members of this house that this rate is too high. I suggest that 24 per cent per year is a fantastically high rate of interest, and it is certainly monstrous that Canadians who have to obtain small loans should be forced to pay such a very high and exorbitant interest rate.

From time to time one reads of the high interest rates that prevail in many countries in Asia and Africa. We read of interest rates prevailing there of 24 or 25 per cent per year and up to 50 per cent per year. Our reaction to reading that such a thing does occur is, is it not wonderful to live in Canada where we do not have to pay such high interest rates? The fact is, however, that hundreds of thousands of Canadians are continuously paying interest rates of 24 per cent per year, and in many instances interest rates very much higher than 24 per cent.

I intend to have something to say about those much higher rates when on a later occasion I move a bill standing in my name which deals with interest rates. I will, however, say to the house at this time that there are prominent business firms in Canada today, some of our biggest, that are charging interest rates on instalment buying up to as high as 54 per cent per year. When we speak, therefore, of the exorbitant rates prevailing in certain countries of Asia and Africa we should not be horrified, because such rates are currently being charged in Canada.

Small Loans Act

Over the years I believe the trend has been to reduce interest rates. It has been the more or less consistent policy of the government in power to endeavour to get the rate of interest down, and make credit and money more easily available. We now have a prevailing rate of interest on government bonds in the neighbourhood of 3 per cent, and in all instances I believe less than 4 per cent. The large sums of money that are now lent under the National Housing Act are being lent at a total interest rate of 5·25 per cent per year. The interest rate charged under the Farm Improvement Loans Act, about which I shall have something to say later, is 5 per cent per year. The regular rate of interest charged to people who borrow various sums of money from the banks is generally in the neighbourhood of 5 or 6 per cent.

Surely it is the job of members of parliament to study the Small Loans Act and the legislation pertaining to small loans companies and their practices, to see if we cannot do something to reduce the maximum of 24 per cent per year, which is four times as high as the interest rate charged on most loans obtained from our banking institutions. Members of this house should bear in mind that the people of Canada who accept loans from these small loans companies are, by and large, the people least able to afford such a high rate of interest. The job of government should be to make the rates that apply on loans to low income people as nearly as possible comparable to the rates that may be charged to people who are considered better risks. No matter what argument may be advanced as to the difference that must prevail in the rates, I suggest that the wide difference between the 6 per cent on ordinary bank loans and the 24 per cent on small loans is a drastic difference about which parliament should do something.

This is not the first time the C.C.F. party has advocated such a reduction in interest rates. As a matter of fact, when the legislation now on the statute books was introduced and passed by parliament in 1939 an amendment was moved and seconded by the present hon. member for Vancouver-Kingsway (Mr. MacInnis) and the hon. member for Rosetown-Biggar (Mr. Coldwell). Their amendment asked that the maximum rate be reduced from 2 per cent per month to 1 per cent per month, as is provided in this bill. It went even farther and asked that the 1 per cent rate which prevails after the loan exceeds a period of 15 months be reduced to one-half of 1 per cent per month.

In the hope that this legislation might be more acceptable to all members of the house I decided that it might not be wise at this time to advocate that the 1 per cent be reduced to one-half of 1 per cent after 15 months, even though such a move might be desirable. I felt rather that the bill should be confined to something so reasonable that all members in all parts of the house could give it their full support. I want to point out that the credit unions in Canada are lending very large sums of money to their membership at a rate of 1 per cent per month. They are doing that successfully. They are covering all their expenses, and are able to declare a saving from time to time.

I should like to quote a short paragraph from an article written in the *Canadian Unionist* entitled "Desjardins States his Philosophy", by Ralph S. Staples, president of the Co-operative Union of Canada. This article, as is suggested by the title, deals in the main with the Desjardins philosophy and the great contribution he made to public life in Canada by promoting and fostering the original credit unions of this nation. The paragraph reads as follows:

> Already there are nearly 4,000 credit unions in Canada, with about 1·5 million members holding assets of about half a billion dollars and loaning well over $200 million to their members each year. The number of credit unions and the scope of their operations is growing rapidly. Only five years before, in 1948, credit unions numbered 2,600 and the membership was 850,600.

As I say, the credit unions have operated successfully on an interest rate of 1 per cent per month, and I suggest to members of the house that such a ceiling is indeed reasonable. I believe that the provision of credit is very important to any progressive nation, and that much of our prosperity at any given time depends upon Canadians being able to meet their credit needs readily and at reasonable interest rates.

Most of the loans that are obtained from the small loans companies, I suggest, are obtained for good purposes. They are obtained by the mother or father of a family, usually for the purchase of needed clothing, furniture for the home or in other instances to meet bills of an emergency nature.

Someone may say, "Well, these people should not be obtaining credit". But I suggest that in practice the average Canadian uses credit as a means of making a saving. That is, he obtains at one time a reasonable sum of money for the purchase of a given article, and arranges to repay the loan in instalments. At the end of the period of the loan he has made a saving, as represented by the article purchased when the loan was obtained. I suggest that the refrigerators, pianos, electric stoves, chesterfield suites and main items of household furniture in the majority of the homes in Canada have been obtained on some basis of credit—perhaps

through a loan from a small loans company or, in other instances, by being purchased on a credit or instalment basis. And I believe that kind of practice should not be frowned upon. It is going to go on in any case, because people on low incomes are going to have to go without many of these items unless they can obtain reasonable credit.

That being the situation, I should like to see this legislation enacted, whereby such loans could be obtained at reasonable rates. As a matter of fact the kind of interest legislation we have in our nation today is class legislation. There are high interest rates for the low income groups and low interest rates for the high income groups. I am not suggesting that those rates can be equalized, but I do say that the difference in those rates at the present time is far too great. We should attempt to bring them closer together by reducing the maximum rates that may be charged by small loans companies.

Present legislation makes provision for a maximum loan of $500. I might have placed another section in the bill which would have increased the ceiling on what might be termed a small loan. I think if such provision were in the bill it would be a good one, because I would like to see the $500 ceiling greatly increased. It should be increased from $500 to shall we say $1,200, if it is to be kept in the same general terms as the 1939 act from the standpoint of purchasing power. Perhaps it should be $1,500, because even $1,500 in 1955 in many instances will buy very little more than could be bought for $500 when the legislation was enacted in 1939.

But even this, I suggest, is not going far enough. Perhaps the ceiling should be placed as high as $3,500, and I do not pick this amount at random. Rather I take it from section 75 of the Bank Act, which now provides that a bank may lend up to $3,500 and take security by way of a chattel mortgage. I suggest if it is found, for the purposes of the small loans departments of chartered banks, that a figure of $3,500 is reasonable, then in legislation of this kind, designed to keep interest rates down to a reasonable level, we might consider increasing the ceiling on the so-called small loan to at least $1,500. I would go so far as to say that it might be preferable to bring the amount up to $3,500, as is provided in the Bank Act.

The small loans business in Canada has become more and more important over the years. I have some figures here that will demonstrate just what rapid growth there has been in the business of small loans. A table showing the interest earned on small loans by small loan companies shows that in 1941 the interest earned amounted to $1,642,000, that in 1946 it had increased to $2,926,000, that in 1949, three years later, it had increased to $8,173,000 and that in 1953, the last year for which figures are available, the interest earned on loans by small loans companies in Canada amounted to $16,099,000, or an increase of 900 per cent within a period of 12 years.

These figures not only show the rapid growth of our Canadian economy, but show also that the growth of the small loans business has even exceeded the general expansion. The fact that the small loans business assumes such an important place in the economy of our nation offers a further reason why at this time we should give consideration to a reduction in the maximum interest rates.

To show what large sums are placed out on credit in Canada I have here the Bank of Canada statistical summary for March, 1955, which shows that outstanding in charge accounts at the end of 1954 was a total of $503 million, that instalment credit placed by retailers amounted at that time to $315 million, that instalment credit provided by finance companies amounted to $480 million, and that cash personal loans by chartered banks, small loans companies, licensed moneylenders and credit unions amounted to $665 million, making a total credit of $1,963 million. Without attempting to find out how many loans might be involved, assuming—and this might be far from the actual case—that loans amounted to an average of $1,000 each, we would find that two million persons had credit in one form or another at the end of 1954.

With general credit in such proportions and of such outstanding importance to the whole Canadian economy, I suggest it is wrong that the low income group should have to pay the exorbitant charges made by the small loans companies—charges that very often are higher than those made by our business firms in connection with goods they sell on an instalment basis.

In my judgment the banks have not done all they might in this field. As was demonstrated in evidence before the banking and commerce committee last year, the banks could do much more by way of expanding their small loans departments; and I suggest the government might take certain action to encourage the banks to expand and to cultivate their small loans business. As to why the banks have not been expanding their small loans departments, I suppose it is the easiest thing in the world for them not to do so because much of that business, as it now

exists, goes through the small loans companies; and they in turn—and this is shown by the statistics—obtain a good deal of their credit from the banks.

So the banks have the business anyway. They lend the money to the small loans companies, and the small loans companies in turn lend the money out to the ultimate borrowers. Evidence before the banking and commerce committee last year showed that the banks had in loans outstanding to small loans companies the sum of $29,500,000.

I know the argument is going to be made—and it is one of the strong arguments that might be advanced, unless it can be successfully answered—against this bill that if you bring down interest rates, laudable as that objective is, you are going to turn a lot of people who previously could obtain money from small loans companies to the loan sharks, and instead of getting money at 24 per cent a year they will have to pay 50 per cent a year or even more.

I do not think that is a necessary alternative at all. If such a lowering of interest rates may encourage the loan sharks, the government should not let such a fact—if it is a fact, and I do not admit that it is—stop them from passing this bill, because the thing the government needs to do is to take whatever action may be necessary, by passing this and other measures, so that people who are now getting money from small loans companies at 24 per cent will be able to get money at a much lower rate of interest.

Mr. Benidickson: What are those steps?

Mr. Argue: I am coming to those steps. The legislation which the government has on the statute books today in other fields shows the kind of steps that need to be taken. The National Housing Act is a special act of this parliament with special provisions as far as bank lending is concerned. It encourages the banks to make money available to home owners. I am sure the parliamentary assistant will agree with me that had it not been for the National Housing Act, had it not been for the amendments to the Bank Act that the banks were not asking for—in fact, in some instances were rather reluctant to accept—we would not have the valuable contribution that this legislation is making to our Canadian economy.

Something on which I can speak with greater authority is the success of the Farm Improvement Loans Act. Under that act almost any farmer—perhaps 95 per cent of the farmers of Canada—can go to the bank and obtain money, if he asks for it, for the purchase of farm machinery, for the remodelling of the farm home, for the installation of electricity, for the buying of better cattle, for the purchase of good seed, almost anything that will improve the farm as an operating unit, or improve his home, at an interest rate of 5 per cent.

Mr. Benidickson: On the security of the farm.

Mr. Argue: Oh, no, not on the security of the farm; on the security of the machine that is purchased, that is all, and the personal reputation and honesty of the farmer who goes into the bank to do business. But as far as the bank is concerned there is a further guarantee from the government. The government and the people of Canada will stand behind those loans to the extent of 10 per cent of the aggregate amount of the loans in case of loss. What has happened? Has it cost the federal government tremendous sums of money? It has cost the federal government practically nothing. I suggest that without this legislation the farmers of Canada would be facing the same interest rates that are now charged by small loans companies.

The government's guarantee under the Farm Improvement Loans Act has been in effect for quite a number of years. A great deal of money has been lent under the legislation. The number of loans since 1945 have totalled 415,000, amounting to $451 million. The government has had to pay to the banks on account of losses the relatively tiny sum of $92,000 on just 175 claims. Someone behind me reminds me that they are still collecting some of that money, so even that loss on the loans covered may subsequently be reduced.

What is the cost to the government in the aggregate loss, compared with the amount of the loans? It is ·02 per cent, or 1/500 part of the original government guarantee of 10 per cent of the aggregate amount of the loans. I suggest that without such a guarantee, which has cost the public of Canada over this long period of time much less than $100,000, the farmers of Canada would have had to pay many millions more in interest charges than they have had to pay because of this legislation.

Therefore I suggest to the government that they bring in another act—and they might call it the family welfare improvement act, an act to encourage banks to expand the legitimate small loans business that some of them are now providing—designed to make available to Canadian consumers generally the kind of credit at a reasonable rate of interest on which they are now forced to pay interest charges of 24 per cent a year.

I am one who has great faith in the honesty and integrity of the vast majority of Canadian people. I believe that if such an act were backed by a guarantee by the federal government, perhaps similar to the guarantee under the Farm Improvement Loans Act, the experience would be precisely the same, namely that the loss the government would have to pay would be very insignificant indeed. Such an act would provide great assistance to—and I repeat—the majority of families in this country who today are buying on the instalment plan or buying on credit through the small loans companies.

Since I have proposed this legislation I have been surprised to find out just how many people and how many households of this country buy on the instalment plan. I know many instances of men who may be earning such high salaries as $6,000, $8,000, $10,000 or more a year who are buying goods on the instalment plan. In many instances people who one would expect to know precisely the rate of interest they are paying are not aware of it until it is pointed out to them what a tremendous rate of interest they really are paying.

Mr. Michener: He pays his taxes on the instalment plan.

Mr. Argue: That may be so. Because the need is so great and the cost to the government would be so small, I am suggesting that not only should they pass such an act, but they should bring in legislation that would provide a satisfactory alternative method of obtaining credit at a maximum rate of 12 per cent—yes, I would say that should be the very maximum—and if possible steps should be taken to get the interest rates reduced even further.

I know the argument is going to be made that the small loans companies have a lot of losses and they must have a huge interest rate in order to pay those losses. It will be claimed that there are so many dishonest Canadians, you know, and they have to repossess things and lose money. Well the small loans companies lose practically nothing. The main company in the small loans business in Canada makes the boast—and I am glad that they can make it—that they have yet to make their first repossession.

A table placed before the banking and commerce committee last year shows that for the period ending December 31, 1952, the reserve for bad debts of small loans companies, out of a total interest charged by those companies of 23·42 per cent, amounted to ·26 per cent. So one-quarter of 1 per cent is all that the small loans companies have set aside for that purpose. But their operating profit was 9·35 per cent, a very neat profit. It stands as a blot on our nation, when you think of the hard-working people who are pennypinching to pay this exorbitant interest rate so the small loans companies before our banking and commerce committee can set forth the fact that their operating profit before income tax amounted to 9·35 per cent.

At the same time there was placed on the record a table of the operational costs of the Canadian Bank of Commerce small loans department. That has done and is doing a relatively good service for the Canadian people. They were able to make the same kind of small loans in the same field, not at a total interest rate of 23·42 per cent but at 10·43 per cent. They were able to show, after having taken all the losses—which were small—that they had concluded the year with a satisfactory operating profit of 2·48 per cent on the business involved.

I can tell you why the Canadian Bank of Commerce are able to do as well as they have done in this field. It is because they are more efficient than small loans companies. The salaries of the Canadian Bank of Commerce department amounted to 2·81 per cent; those of the four loans companies amounted to 5·68 per cent. So the small loans companies have to have another 2·87 per cent for salaries. For advertising the Canadian Bank of Commerce spent ·03 per cent; the small loans companies spent 1·19 per cent. That is the cost of their high pressure advertising; they drag in as many people as possible in order to give them loans at 24 per cent per year. The cost of funds to the Canadian Bank of Commerce was 2·09 per cent; the cost of funds to the small loans companies was 3·07 per cent. That is another place where a saving of ·98 per cent could be made.

Of course the field of operating profit is where the largest saving could be made, a saving of 6·87 per cent. If you add up just those few savings I have mentioned—and I have not added the large item called "expenses" and some other items—you find that in this field there could easily be a saving of 11·88 per cent, which would bring the cost of loans down from 23·42 to 11·54 per cent.

The reason the rates are high is that these people make exorbitant profits and spend large sums of money in high pressure advertising in order to get the business through their doors. So I am suggesting to the government that the passage of this bill would not mean, and should not mean, that the Canadian consumer will be placed at the

mercy of loan sharks. Last year the government took a step in the right direction by making it possible for banks to accept chattel mortgages as security for moneys they loaned through their small loans departments. The government has already taken a good step by amending the Bank Act to raise the maximum ceiling on these loans to $3,500.

I suggest to the government that they should not stop there, and that once and for all they should get rid of this exorbitant rate of 24 per cent by at least cutting it in half. I do not think any loan company in Canada is worthy of being in the business if it cannot make a reasonable profit at 12 per cent. If it has to get out of the business because it is so inefficient, let it go; good-bye and good riddance. Let the government amend the Bank Act and bring in legislation such as I have suggested, which will give the Canadian people a satisfactory alternative whereby they can get loans at reasonable interest.

When I move my other bill, I intend to go into the even higher rates of interest which are currently being charged in Canada, not by the merchant who operates a small business but by Canada's largest and best known retail firms.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I find some difficulty in speaking after my hon. friend from Assiniboia. I think many of us are finding difficulty in following my hon. friend, because he is usually so efficient and thoroughly covers the matter at hand. My particular interest at this moment, since he has covered the essentials in regard to the rate of interest, is in the methods of advertising that these people practise. We had some discussion not very long ago about the deceptive packaging of bacon, and I was glad that the government took some action in the matter. I can see now the results of that action.

I think the government should take some action too—and I thought it would have been a good idea if my hon. friend from Assiniboia had written into his bill something to that effect—which would prohibit the type of deceptive advertising used by certain vampires of the small loans business. This matter is brought to my attention at the moment by an item in my own local newspaper, the Saskatoon *Star-Phoenix* of April 22, 1955, which I quote:

> The Co-operative Union of Canada decided in convention Thursday to make representation to the federal government to require finance companies and business organizations to declare to the borrower or the instalment purchaser a total yearly—

The emphasis is mine on the word "yearly".

> —rate of interest being levied in each transaction. Delegates claimed that the existing practice of interest charging by the month on small loans and on instalment purchase financing by some companies did not disclose to the borrower or the purchaser the true rate of interest.

There is a footnote, which says:

> The Co-operative Union of Canada represents 860 local co-ops and 770,000 members.

As an example of the particular type of thing I mean, I think I might say, without making any derogatory remarks about anybody, that the people who avail themselves of these small loans, or a great many of them, are not accustomed to business methods and business practices. Some of them are rather easy to deceive in that particular matter.

Let me give an example of the type of notice which is very common in our newspapers. Let us assume that we are going to make a loan of $100. We see the advertisement saying "You get $100. You pay at the end of the first month only $9. At the end of the second month you pay only $9." So it goes on down the line till at the end of 12 months you discover—and the advertising emphasizes the word "only" you have only paid $108. Victims of this system have said to me, "That is not an exorbitant rate of interest; that is only 8 per cent". Of course we all know better than that. We know that the borrower has not the use of the $100 for the 12 months. He has the use of the $100 for only one month. Then when you get down to six months he has the use of only half that amount, and so on until you get down to the final month when he discovers—or he does not discover, in many cases—that for the use of one-twelfth of the principal which he has borrowed he is paying exactly the same charge as he paid during the first month. That is what I mean by deceptive advertising, and there is a great deal of it. There are many different types of that same deceptive advertising. The trouble is, of course, that these borrowers do not realize that the principal in their hands has been steadily decreasing while the interest payment is maintained and is constant.

As to the general or larger question which was dealt with by my hon. friend, I agree with him that the government has some responsibility in this matter. I agree that the government should accept some blame for what certain loan sharks are doing. These people are running a perfectly legal and often respectable business, but some of the people I know who have borrowed money from them have been extremely sorry they did so. They are little people, those who least of all can afford to indulge in the luxury of obtaining a loan of that kind. I think the government has some responsibility,

in that since 1939 it has been possible for these interest rates which have been pointed out by my hon. friend to be collected legally, by virtue of an act which allows up to 24 per cent per annum—I think that is the rate—to be charged.

One answer, of course, that one might get to this argument is that these people are fundamentally a poor risk, and that the rate therefore must be extremely high in order to compensate the companies for the losses sustained. Statistics give the lie to that argument. My colleague said that the amount lost amounted to twenty-six one-hundredths of 1 per cent of the yield of the loans. I think he should have stated that this is the amount of the reserve which was set aside by these companies. I suggest to you, Mr. Speaker, that the reserve which these companies set aside, on the average and over the years, would be more than the actual loss which it is meant to cover.

Of course, the free enterprise people would say that if these people do not want this type of loan they are not obliged to obtain it. However, may I say that the human element enters into all these things. We have people who need money because of sickness, accident, or the death, if you like, of some one of their relatives; and may I mention death particularly because for most people it is an expensive business to die these days. I suggest that these borrowers get into difficulty. They do not know in what direction to turn. Then suddenly along comes someone who says, "We will give you some money on your own note of hand, no questions asked" and all the rest of it. Of necessity they fall for that type of propaganda.

This business of *caveat emptor*—let the buyer beware—is part of the law of the jungle. In these enlightened days I suggest that governments should assume some responsibility for the protection of people who do not know how to protect themselves. People who are qualified financially have no difficulty in getting money at reasonable rates—I would say the average is perhaps 6 per cent—from the banks. The banks can now operate small loans departments. They do so at an effective rate of interest about half that which the loan companies charge. Why cannot these latter companies operate at the same rate as that at which the banks operate? That is a question I cannot answer.

This small loans business, as I said, may have assumed an air of respectability, but I do not think that fact makes it any less dangerous. Of course we no longer have the situation prevailing where a woman on Monday morning wraps the clock in her shawl and takes it down to the pawnshop; but I suggest than when she took the clock down to the pawnshop she obtained just as good a deal as she does when she approaches some of these financial advisers, with their plush offices by day and their neon lights by night attracting you in there so that you may borrow some money and be rooked just to that much greater an extent. They call themselves financial consultants, forsooth; and they invite you in to have your many little debts consolidated, in order to get them all in the same place; "the same place", of course, being your name on a note in their office.

The advertisements are screaming at these potential borrowers all the time. All day they are screaming at them to come in and borrow money on their own note of hand, without security. They offer advice by which these people can be induced to borrow money. I do not know whether or not my friend gave the figures, but I obtained them. According to those figures 70 per cent of these people do labouring work, artisans, people working in offices doing clerical and other non-manual work. In other words, they are the poorer-paid people of the country.

I think they should have protection at least to the extent recommended by my hon. friend, and that the interest rate should be reduced from its present legal maximum of 24 per cent to a maximum of 12 per cent.

Mr. Deputy Speaker: Is the house ready for the question?

Some hon. Members: Question.

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, on behalf of the Minister of Finance (Mr. Harris) I think I should say something in reply to the sponsor of this bill.

The Small Loans Act, which was enacted in 1939, resulted largely from the work of the parliamentary committees. This whole problem is something in which members of parliament have taken a good deal of interest. The problem received a great amount of study by the banking and commerce committees in the sessions of 1937 and 1938. This attention was given to the matter because, prior to that time, the banking and commerce committee was being asked to review regularly petitions for the incorporation of a number of individual companies in this field.

There was a great deal of evidence showing that, without regulation and government supervision, some extremely unfortunate circumstances had developed and that a very high rate of interest—much higher than that described by my hon. friend—was being charged in many instances.

As a result of the deliberations of that committee, it is true that a maximum

monthly flat rate of 2 per cent for small loans was recommended. Admittedly this rate was considered to be experimental. However, before these committees evidence was taken from representatives in the field in the United States. The parliamentarians had a great deal of experience, as I say, as a result of hearing applications for incorporation of individual companies. This maximum rate of 2 per cent was set, and it has been in existence since 1939.

In 1946 the government introduced an amendment to this act. It was then proposed to reduce the rate to 1½ per cent per month. This bill received second reading in the House of Commons and was referred to the banking and commerce committee which gave it some study, but the bill itself was not reported.

It happened that at about this time, between 1945 to 1948, the largest lenders in this small personal loan field had in fact reduced their general rate to borrowers to 1½ per cent. However, about this same time the general costs of doing business in any field were on the rise. In 1948 the lenders generally returned to a rate of about 1¾ per cent. Since 1950 the general rate, according to the reports that are filed, works out again at about 2 per cent.

I am sure hon. members will be interested in the experience of other countries. As I say, when our legislation was enacted in 1939 and prior thereto, considerable evidence was available as to the experience in the United States. In that country legislation in this field is within the jurisdiction of the states rather than the federal government, so practices and rates vary. However, the maximum rate in most of the states of the United States for loans in this field is 3 per cent per month, and there the ceiling under which the law applies, generally speaking, is even less than ours, being $300 rather than $500.

In Great Britain I understand that at the present time there is no statutory maximum interest rate but the courts place the onus on the borrower to prove that the rate being charged is unfair if the rate is less than 4 per cent per month, and if the rate is more than 4 per cent per month the onus is on the lender to establish that the rate is not unfair.

The main purpose of this small loans legislation is to ensure that lending facilities are available to necessitous persons who have need for small sums of money and are not able to get them from sources used by others. That is why there is a ceiling. At the present time the ceiling is $500. I could not tell from my hon. friend's remarks whether he entirely understood that the Small Loans Act has no application whatever to time sales of goods. It does not apply to conditional sales agreements, hire-purchase agreements and so on, to which he did make some reference. I assume he did so by way of reference to the other bill he has on the order paper to amend the Interest Act, which would have a bearing in that type of business.

We are discussing in this bill the application for a loan on a personal note without the element of a business transaction. Experience has shown that only by strict regulation and by providing an adequate rate is it likely that the public will be protected against excessive rates. This was the evidence before the banking and commerce committee in 1937 and 1938. If the maximum rate is too low the result is simply that regulated loans dry up; and it was established, in the opinion of the parliamentary committee, that the loan sharks would be the alternative and would enter the field.

I should like to read to the house a few extracts from the report of the banking and commerce committee of 1938 on this point. At page 424 of that report this was said:

> Obviously the state can intervene over rates only within a limited field; for naturally a legislative rate at which money is not obtainable is of doubtful benefit to necessitous people. In the debates over the subject it would almost seem to have been at times forgotten that to legislate a maximum rate is an injunction that, if people cannot borrow at the prescribed rate, they cannot borrow at all.

Again, at page 425 the committee report had this to say:

> The rates of the several states—

Of the United States.

> —were presumably established after exhaustive inquiry and, in several instances, after the legislative prescription of lower rates had led to a diminution in the supply of licensed credit with a return of bootlegged loans in volume.

I see it is six o'clock, Mr. Speaker. May I adjourn the debate?

On motion of Mr. Benidickson the debate was adjourned.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

60. Citizenship registration branch, $226,598.

Mr. Michener: I was referring, Mr. Chairman, to the problem of the registration of

citizens, particularly new citizens, and I had indicated that of the 1,200,000 immigrants who have come to Canada since the war not more than 100,000 have received their citizenship certificates. I should think the number would be substantially less than that. The total number who received their citizenship certificates last year, the biggest year, was some 23,000.

Mr. Pickersgill: I think it was nearly 27,000.

Mr. Michener: I suppose that was taking the calendar year, but even at 27,000 and going back over the last four or five years, it would appear that perhaps not more than 100,000 have received their certificates of citizenship. We have, therefore, immigrants in Canada to the number of 1,100,000 who will be applicants for citizenship certificates in due course. If the present rate of immigration continues, as I hope it will, or increases, that number is not likely to diminish.

When we reach the normal annual number of applications for citizenship it may be in the neighbourhood of at least 100,000 per year. We are taking immigrants at more than that rate. One of my colleagues referred to the possible loss of people who came here with the intention of going to the United States, and that may reduce the number. But in the long run I would think almost as many as enter the country will be applicants for citizenship. The department, therefore, has a problem of substantial proportions in the processing of the applications and the registration of that number of people.

As I said, this problem has been tackled through the county courts. While that machinery may be adequate in most parts of Canada, it certainly has been found to be inadequate in the larger centres of population, Montreal and Toronto particularly. We went over that problem rather carefully in the committee, so I do not propose to dwell on it now. I do want to say I am delighted to see that the difficulty is now being recognized. I know that in my city Toronto there is an entirely new method of processing these applications. We are not relying now on the judicial machinery to handle these applications. I commend that change, and I trust the department is making provision for the fairly substantial numbers that may have to be handled in the future.

I say this because the certificate of citizenship is the great possession of anyone who has adopted this country as his. It gives the franchise; it gives the status. Anyone who has torn up his roots and moved from another country in order to bring his family and establish himself here will not lose any time in getting that certificate; it is the seal of his citizenship. We hope, therefore, that when people apply for these certificates they will get them without delay. It is the delay that exists now, and which is to be met by these new methods, that I wish to draw to the attention of the house. I do so for the purpose of making some reference to the proportions of this problem.

Last year I believe the minister said there were something like 4,000 certificates issued in the York area. We can readily contemplate four or five times that many in a year. If it was a problem to deal with a few thousand, certainly preparations will have to be made to deal with many more thousands.

Item agreed to.

Immigration branch—

66. Administration of the Immigration Act, $892,756.

Mr. Churchill: This is the item I have been waiting for, and I think the minister has as well, because we want to discuss the problem of immigration. However, I do not propose to take too much time. I have been raising the question of the general policy with regard to immigration for the last three years in the hope that I could get an answer from the minister. I was not able to get one from the present minister's predecessor, so I raise the question now for the minister's benefit.

Earlier this year I drew attention to this problem. I am interested in the racial groupings within the country, and I am interested in knowing what is the policy of the government with regard to retaining the racial groupings we have had in this country from the early days. On other occasions I have pointed out that the percentage of people who trace their origin to the British Isles has been declining. I have drawn the attention of the house to the fact that in the days of the great immigration into this country, in the first few years of this century, 60 per cent of the immigration came from the British Isles. Over the first 50 years of this century, 50 per cent of the total number of immigrants entering Canada came from the British Isles.

I point out that I am not thinking of excluding anyone; I am not talking as an exclusionist. There was no exclusion of people of various racial origins in the days of the great migration to this country in the first few years of this century. Yet at that time 60 per cent of the immigrants were from the British Isles. Similarly, I suggest no exclusion now. If we are to have an immigration policy at all and want to attract people to this country, we naturally want to

get them from as many places as we can suitably obtain them. I am not objecting to the present policy of the department or its extensive attempts to gain immigrants from the various countries of the world. We have many racial groups represented in Canada. but it is still our duty to look to the future.

Are we, through lack of care or lack of success in attracting immigrants from the British Isles, creating a trend whereby in the course of time the racial groupings within this country will be materially altered? As I said last year, that may be good or bad. I raise the question, but I do not myself say it should be necessary for the government to use any policy to alter the basic racial divisions within this country from what they were 50 years ago or even 20 years ago.

It does not mean excluding other people in order to bring people in from the British Isles. But I noticed from the survey I made —and if my survey is incorrect I presume there are people here who will put me right—an apparent change in policy in 1949. In the half dozen years that have passed since 1949 the average of people coming into this country from the British Isles has been 26 per cent of the total number of immigrants admitted. That is a far cry from the 60 per cent of the first few years of this century, and a far cry from the average, for practically 50 years, of 50 per cent from the British Isles.

What caused the fundamental change in policy in 1949? Why is that policy being continued? Is it an accidental occurrence, or is there any explanation for it? I was not able to get a satisfactory answer to my question a year ago, and when I raised it earlier this year perhaps the minister did not have an opportunity to deal with it. Although I have searched the proceedings of the committee on estimates with some diligence, as I pointed out before five o'clock it is a difficult matter to locate the information in the reports of that committee, due to a lack of index and a lack of paragraphing according to subject matters. Consequently I may have overlooked some discussions on this particular subject.

I did find at pages 294 to 299 of the proceedings of the committee on estimates a discussion of immigration from the United Kingdom. However, I did not see any discussion on the other point I raised, as to the racial or ethnic divisions within Canada.

Mr. Hamilton (York West): You should ask Duncan MacTavish.

Mr. Churchill: I do not see in the record of proceedings of that committee any declaration on the part of the minister as to the policy of the government with respect to that particular point. Consequently I raise it again now, in the hope that the minister will be able to enlighten the committee.

Mr. Balcom: Mr. Chairman, I should like to ask the minister a question relating to immigrants coming to Halifax and being transported from there. The immigrants who arrive at Halifax are well looked after by the immigration officials and by the Canadian National Railways. Upon disembarking they receive free food and are looked after by volunteer workers. For the most part they are very happy. In Halifax we have canteens from which they are given food at reasonable prices, prices that are probably a little lower than those in effect generally.

The immigrants stay around the city for some little time, after which they go on the trains and, en route, they have to buy food. My understanding is that this food is not supplied by or under the control of the immigration branch or the Canadian National Railways, but that it is handled by an independent company having that privilege on our regularly scheduled trains.

I question whether it should be done in that way, and whether it would not be better if the railways or the department were to handle this food. I believe the immigrants are charged what might be termed exorbitant prices—for instance, 20 cents for a half pint of milk. And if this applies to milk, it might apply to anything else. These people, many of whom do not understand our language or our money system, resent this. The welcome they receive at the pier in Halifax is somewhat worn off en route to Montreal or some other point in Canada. One can readily see that they might be caused some embarrassment.

I would ask the minister to have his departmental officials look into the matter, with a view to seeing if there is any way of improving the service these people receive. My understanding is that the food they buy on the trains from the company in question is not served in a dining room, but is served right in the coach.

Mr. Churchill: May I ask the minister if he is prepared to reply to my question.

Mr. Pickersgill: Yes. If there are no further questions I am prepared to reply to the junior member for Halifax and to the member for Winnipeg South Centre.

Mr. Lennard: The member for Winnipeg South Centre and the junior member for Halifax; that is the order in which they were asked.

Mr. Pickersgill: I understand, sir, that we still have, even in this chamber, a little measure of freedom of speech. I am going to reply first to the junior member for Halifax, because I can reply to him in about three words. I shall be delighted to have someone look into that question.

And now, to the very complex question asked by the hon. member for Winnipeg South Centre, I can make a very brief reply —and be misunderstood. My brief reply would be to say, and I am going to say it anyway, at the risk of being misunderstood, that to the best of my knowledge this department does not now and never has paid any attention to keeping a racial balance, and I hope it never will.

I thought we engaged in a war, in which the hon. member served very gallantly, that was directed against that kind of thing. Now, it is true that we do give preference, and for many years have given preference, to immigrants from the United Kingdom; and the reason we do it has been stated over and over again. It was stated by me in the debate on immigration, as will be found in *Hansard* for February 17 at page 1258. I do not know that there is any particular advantage in stating it again but, very briefly, it is this; that we believe that because immigrants from the United Kingdom have the same kind of political institutions we have and, in the main, the same kind of social customs and, in the main, the same kind of economic system and, in the main, the same ways of doing things, it is easier for them to adapt themselves quickly and readily to this country. And, as the hon. member for St. Paul's has said, we do ask immigrants to come here for the purpose of transforming them as quickly as we can into citizens of Canada.

May I suggest it would repay the hon. gentleman if he would reread those few paragraphs in *Hansard*, which I uttered for the first time in Dauphin in the speech I made to the Manitoba chamber of commerce, and which indicate the basis of this preference or selective system. It is not based upon race, and it is not based upon creed. It is based upon a conception of adaptability to the kind of society we have tried to build in this country in the last 300 years. I am quite confident that when Mr. Mackenzie King said in 1947 that we did not want to make a fundamental change in the character of the population of this country, that was what he meant, and that was all he meant.

Mr. Churchill: Mr. Chairman, I noticed that in his statement the minister seemed to wish to draw an inference that I was suggesting something in the nature of discrimination. I thought that was an unnecessary comment, but not an unexpected one from the Minister of Citizenship and Immigration. I was at pains to point out that there need be no exclusion of immigrants to this country. To my knowledge, or in so far as I understand the problem, there has been no exclusion in the past and I certainly am not suggesting any now. There is nothing very complex about it. I am asking the minister whether he understands that a shift is going on in the racial grouping within this country. He apparently understands that, and says it is not a matter of any great concern.

Mr. Pickersgill: I did not say any such thing.

Mr. Churchill: Well, that is what I understood from the minister's remarks and from his quoting of that characteristic confusing statement of the late Right Hon. Mackenzie King, which certainly does not clarify the situation at the present time at all. I wanted to know why immigration from the British Isles was not equal on a comparative basis to what it had been in the past, not in the same ratio to the total number of immigrants who come to this country. The minister gave no explanation of that.

Let me ask him this while he is thinking over some of these problems, and this is where I refer to the record of the committee on estimates which contains, on page 299, the discussion with regard to immigration from the United Kingdom. It is a most incomplete statement. There I ask, was the answer given elsewhere? Is it to be found somewhere else in the proceedings of the committee? On page 299 of the minutes and proceedings of the committee there is discussion in regard to the difficulties facing people coming from the British Isles in respect to the amount of money they can bring with them. In reply to a question by the hon. member for Kamloops the minister said:

> I would be prepared to present a statement on it, but I do not know anything about it at the present time. I do know however that the subject had once been canvassed, but I do not know more than that.

Here are the hon. member's words, which are to be found a little higher up on the same page:

> Have we ever considered lending money to immigrants against balances which they have in the United Kingdom?

Perhaps the minister will tell us that the problem was dealt with later in the estimates committee. If not, is he prepared now to make a statement on the result of his

research and let us know what are the problems that stand in the way of people coming from the British Isles? We find that they move in large numbers to Australia and apparently are still willing to migrate from the British Isles despite full employment in that country. The pioneering and colonizing tradition of the British Isles is still evident. Why are we not getting greater benefit from that?

Mr. Pickersgill: I can say, Mr. Chairman, that this question of loans and quite a number of other possible devices have been considered. Of course there is a loan scheme, as the hon. gentleman, I am sure, knows, for the payment of passage. This question of loans against sterling balances, and a good many other devices of that sort, have been considered from time to time but, as I indicated to the committee—I was looking for the page number, but like the hon. gentleman I cannot find it. I quite agree with him on this point. I do agree that we need an index to these minutes. Perhaps it would not have been quite so difficult to follow them if my suggestion in the committee had been followed, that we take things up in a consecutive order. That seemed rather difficult to get done, just as it seems difficult to do in this committee, but that is just by way of parenthesis. I agree with the hon. gentleman.

I think the relaxations that have been made by the British treasury in the last two years are such that for all but a very rare immigrant the problem of transferring any balances any prospective immigrant is likely to have is now pretty largely solved.

Some point was also made in the estimates committee about the possibility of lending money to the dependents of immigrants for assisted passage. If I could persuade myself that this would really stimulate immigration from the British Isles I would be very happy indeed to recommend to my colleagues that we extend the scheme to the dependents of immigrants; but our experience has been—at least I would say we have deduced from our experience—that in the kind of full employment and the kind of prosperity we have had in this country in recent years, it has taken the immigrant himself such a relatively short time to accumulate enough money to bring his family—and moreover he could pay for their passage in sterling—that there would not have been very much advantage, except for impecunious people, to have loans of this sort, and in many cases even they did not seem to have been much deterred by this difficulty; but I am still quite open to conviction on that point.

[Mr. Churchill.]

I want to see more immigration from the United Kingdom. I would not want anyone to misunderstand my position on that; but fortunately or unfortunately—perhaps I should not use the word "unfortunately"—we cannot conscript people in the United Kingdom to come here. We have to persuade them to come. Happily, in the United Kingdom economic conditions have improved vastly in the last few years, and as a consequence there is less willingness to leave the United Kingdom and come here. This is a matter of grave concern to the department. I would certainly welcome from any source any practical suggestions for increasing the flow.

Mr. Robinson (Bruce): I do not wish to provoke the minister, and also I do not wish to pour any coals of fire upon his head. We all agree that in Canada we missed the boat so far as the immigration of Anglo-Saxons is concerned since the end of the last world war. Australia and New Zealand beat us to the punch. I have no axe to grind, but I should like to get some information from the minister. A lot of good immigrants have come over from Britain, and of course there must be more willing to come. The information I want to get from the minister is this. If an immigrant comes to Canada from Britain and gets himself in debt to quite an extent in Canada, then leaves Canada and goes back to Britain, what can be done if he tries to come back to Canada? Can the minister give me any information in that regard?

Mr. Pickersgill: I am afraid I did not get the last phrase.

Mr. Robinson (Bruce): What can be done to collect the debt the chap contracted if he tries to come back to Canada?

Mr. Pickersgill: Is the hon. gentleman referring to debts to the crown or to private individuals?

Mr. Robinson (Bruce): Private individuals.

Mr. Pickersgill: I do not think that in this relatively free economy we have in Canada the department has ever set itself up as a debt collection agency for private individuals. I do not think it would be a very good way to stimulate immigration if we did. A debt, after all, is a civil obligation, and I presume that if the immigrant came back within the jurisdiction of the courts here the person to whom he owed the money could take whatever action was necessary for the recovery of the debt. Certainly I do not think we would regard as an impediment to his return to Canada the fact that he had some unpaid debts. I think most people would imagine

that there was a slightly better chance of collecting them if he did come back to this jurisdiction. The problem is a novel one to me. I have never encountered it before.

Mr. Robinson (Bruce): I would like to say, Mr. Chairman, that we have encountered those circumstances in our riding. I would think in such a case of a man deliberately incurring debts, if that man ever tried to come back to Canada he should be interrogated and an understanding reached with him. I think it would be very good if the department took that point into consideration and did not let a man of that kind in.

Item agreed to.

67. Field and inspectional service, Canada, including $10,000 for grants to immigration welfare organizations, $5,648,955.

Mr. Monteith: With regard to item 67, Mr. Chairman, we had several discussions in the estimates committee about the fact that in the estimation of certain people, and possibly myself, the department insisted on overestimating its expenditures for several years. I think we ought to keep in mind that the tax rate which the citizens of Canada finish up by paying is eventually decided by the estimates which are passed by this house. If a certain amount of expenditure can be saved, that means there will be that much less money to raise by taxes.

In questioning officials of the department, including the minister, we came to the conclusion, I think, that in estimating for this current year 1955-1956, on which we are now working, probably the first step taken was to refer to the estimates for 1954-55 and maybe for previous years. I do not think that is quite the correct procedure. I believe more attention should have been paid—if any attention has been paid—to the actual expenditures in prior years.

In the estimates committee certain comparisons were made concerning the immigration branch. It was shown that in the year 1952-53 the department overestimated by over 30 per cent. In the year 1953-54 they overestimated by over 22 per cent of the estimates. Actually, the percentage of the amount expended in 1952-53 was 43 per cent, and in 1953-54 29 per cent. Coming a little closer to the present time, 1954-55, the lapsed vote, shall we say, was 7·3 per cent of the estimate and over 7·8 per cent of the actual expenditure.

I think this is a bad procedure to follow. I do not believe it is fair to the taxpayer. On this particular item, No. 67, I would like to review what has happened over the last two or three years. In the year 1952-53 the estimates were approximately $4,832,000. The actual expenditure was approximately $4,482,000, or a lapsed vote of roughly $350,000. In the year 1953-54 the estimate was $5,204,000; the expenditure was $4,728,000, a lapsed expenditure of over $476,000. In 1952-53 it was 7·8 per cent, and in 1953-54 over 10 per cent. In 1954-55 the estimate was $5,691,000, the expenditure $5,367,000; a lapsed expenditure of $324,000, or over 6 per cent.

Apparently this has been a consistent procedure in the immigration branch of the Department of Citizenship and Immigration. I do not think it is correct. I am convinced that this overestimating is not necessary. It has been proven that such has taken place in the past by the figures which are taken from the accounts.

As a consequence I would move, seconded by the hon. member for St. Paul's, that item 67 of the estimates of the Department of Citizenship and Immigration, amounting to $5,648,955, be reduced by 5 per cent, or by the amount of $282,447.75.

Mr. Michener: Mr. Chairman, in seconding the motion I should like to say this about overestimating. Although it might appeal to some people as being simply providence to ask for more money than you expect to spend, in other words to leave some room to turn around, there is another aspect to the matter in public finance which is very important. This motion may be more by way of token than of great consequence to the budget, but I suggest that it is worth consideration on this ground. If the practice which has been demonstrated with respect to this item were followed throughout the departments and there were a consistent overestimating of probable expenditures on the part of all departments, the Minister of Finance would be under the onus of raising 10, 15, or as much as 30 per cent more money than would actually be needed in the experience of the departments.

The consequence of that, of course, would be to upset any rational theory of budgeting and finance. The result would be a surplus which was not intended, a surplus which depended on departmental overestimating and underexpenditure, a policy of raising more money than was needed rather than a deliberate reduction of the public debt.

I second the motion with the thought in mind that this practice, if it were general, would be destructive of any sound fiscal policy on the part of the government.

Mr. Pickersgill: Mr. Chairman, I of course oppose this motion, and I invite my hon. friends in the house to support me in opposing it.

Mr. Lennard: They will; don't worry.

Mr. Pickersgill: On this particular item, it might be interesting to note that the hon. gentleman very carefully selected the year 1952-53. If he had selected 1951-52 he would have found that the lapsed amount was 2·9 per cent, but he chose instead to begin with the year when it happened to be 7·2 per cent.

Mr. Monteith: Mr. Chairman, I take exception to what the minister has said. I did not deliberately begin with the year 1952-53.

The Chairman: Order.

Mr. Pickersgill: Mr. Chairman, I believe I have the floor. In 1952-53 it was 7·2 per cent; in 1953-54 it was 9 per cent. This past year it was about 5 per cent. I do not think it will be more than 5 per cent in the present year. I was going to say that I hoped it would be closer than that, but I do not really hope it will because a certain contingent amount is provided here to pay for deportations, and the fewer deportations we are obliged to pay for, and the more money we can save in that way, the better it will be for the taxpayers.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Monteith) negatived: Yeas, 9; nays, 66.

The Chairman: I declare the motion lost. Shall the item carry?

Mr. Knight: I was just going to ask the minister whether he would not explain something of the functioning of the people mentioned here. I refer to the field inspectors and so forth. In other words, will he give us a little story telling on what kind of services the money is spent?

Mr. Pickersgill: Mr. Chairman, I should very much like to oblige the hon. member for Saskatoon. I am trying to say this without giving any offence. I wonder whether he has read the proceedings of the estimates committee. In those proceedings is given a most minute and detailed explanation. I should be glad to give the hon. member the page reference.

Mr. Knight: I thank the minister for bringing that fact to my attention. I have not had the time to read the minutes but I shall do so. I shall be quite satisfied with that answer.

Mr. Pickersgill: Thank you.

Mr. Michener: One or two aspects of the administration of the Department of Citizenship and Immigration that came out in the committee proceedings deserve attention, in my opinion, at this time. They have to do with the relationship of this department to two other departments. I think this item is perhaps the appropriate one on which to make the point I have in mind.

What we are doing, of course, is voting funds to enable this department to carry on its administration. In doing that I think we should look first at the purpose of the department and, in the second place, the efficiency and economy of its administration. In this item No. 67 provision is made for field and inspectional services. Coming under that provision are 139 special officers whose function is to do the same kind of work as that done by the national employment service of the Department of Labour. That is the first point I want to make. I wish to point out that here we have two departments doing the same job.

What is that job? It is to advise immigrants as to labour conditions in Canada, the work that is available, the opportunities for employment and for farming or business which are available in this country. When we have set up under the Department of Labour a nation-wide system of employment counsel covering every part of Canada and presumably familiar with work conditions and opportunities in every part of Canada, one would think that service would be the appropriate one to supply information to intending immigrants.

It is true that this information must be supplied in their own countries. Therefore I suppose the information which these officers collect must be sent abroad to be delivered to the prospective immigrants in their own countries. But why should this department of immigration have 139 officers in Canada going about the country collecting information which, it seems to me, already is or should be available in the Department of Labour? That is the first conflict between departments that I think deserves the consideration of the government.

Let me point out this fact. In Canada itself we have the labour department and the citizenship and immigration department both collecting this information, whereas abroad we have the immigration department using the information by delivering it to the immigrants.

The other administrative question is the relationship of this department to the Department of National Health and Welfare. Although this department chooses to have its own employment officers, it does not choose to have its own doctors. There is nothing in the vote here to provide for medical inspection of immigrants abroad. That provision appears in the estimates of the Department of National Health and Welfare.

On referring to the appropriate place in the estimates, Mr. Chairman, you will find that some 315 personnel are to be supplied for immigration purposes by the Department of National Health and Welfare at a cost of $1,151,000, which is properly a part of the expenses of the department of immigration. Purely as an administrative and accounting problem, and as a matter of efficiency, I suggest that the government review this separation of services.

I suggest that the duplication should be reviewed from another viewpoint because, with two departments responsible, the tendency is for neither to take the full responsibility. There is the possibility that you will find the unfortunate immigrant, in places like Toronto or Montreal, being sent from the department of immigration to the Department of Labour in order to find a job, and then being sent back from the Department of Labour to the department of immigration because they both have some responsibility and each can pass the buck to the other. Hence for more reasons than one I suggest that this problem should be reviewed with the idea in mind of putting the labour counselling service under one department and coordinating it in that place.

The question of the productivity of the department is not an easy one to deal with. One can only compare the number on the staff and the number of immigrants brought in. That is a mathematical comparison, and perhaps it does not mean a great deal. Actually the figures the minister gave indicate that five years ago the department was staffed with 2,913 civil servants, after making some adjustments and including Indian affairs which have nothing to do with immigration, compared with a total at the present time of 3,954, or an increase of 1,041 in the staff of the department in five years. That is an increase of more than one-third. In the same period the number of immigrants admitted to the country has not shown the corresponding variation. I believe 1950 was a relatively small year but in 1951, the year of heaviest immigration since the war, 190,000 or more people came to Canada, compared with 154,000 in the last calendar year, 1954.

As I say, I do not put too much weight on these figures because I feel that the problem of the immigration department is probably more difficult today than it was immediately after the war, and is getting more difficult all the time. As has already been said, the great opportunity to get immigrants from the United Kingdom was immediately after the war. At that time would-be immigrants were lined up for six blocks in front of the Liverpool office waiting to come to Canada. The problem then was transportation. The house is aware of the steps taken by the government of Ontario at that time to provide air transportation, but because the problem of transportation was not adequately met at the time by this department that opportunity was allowed to pass. Today we have not the same scope in securing the immigrants we want in this country.

I believe it is a fallacy today to expect immigrants to drop into our lap. They are not hanging in the trees any more, and we have to go after the kind of immigration that meets the requirements of the country. I do not place too much emphasis on the figures, and I do not intend by what I say to try to restrict the department in its expenditures because I feel the problem is more difficult now than it was and that every effort should be made to go to the places where suitable immigrants are available and get them to come here.

We have been lucky in many respects. We have had a good many from the Scandinavian countries, but such immigrants are not now available. We were fortunate in the immigration of the displaced persons. We got very fine immigrants, among them professional people whose training would cost a great deal if it had to be duplicated in this country. A great many people came here who were able to establish their own businesses, and we were fortunate in securing them. We were fortunate in getting the Dutch farmers who came here. They were a fine lot. But these sources are drying up, and we have to work a little harder now. It is only in the spirit of promoting efficient administration that I point out these problems of overlapping and separation of function which have been discovered in the course of the examination of these estimates in the special committee on estimates.

Item agreed to.

69. To provide, subject to the approval of treasury board, for trans-oceanic and inland transportation assistance for immigrants, including care en route and while awaiting employment, $500,000.

Mr. Monteith: I do not propose to move any motion at this time, because it is quite obvious what would happen to it; but I think this is the most glaring instance of overestimating to be found in the whole immigration branch or in the whole Department of Citizenship and Immigration. I should like to remind the minister that I did not go back beyond 1952-53 simply because I thought that was far enough to go to show the great discrepancy between actual and estimated expenditure, but if there are figures beyond that point which the minister cares to bring into the picture, that suits me fine.

However, I would point out that in 1952-53 the estimate was $2,600,000 and the actual expenditure was $311,000. That is an overestimate of over 80 per cent, and involves big figures, not chicken feed. In the year 1953-54 the estimate was $1,500,000 and the expenditure was $98,000. There was an overestimate of $1,401,000 on a $1,500,000 estimate, or over 90 per cent. In the year 1954-55 the estimate was $500,000 and the expenditure $290,000, an overestimate of $210,000, or 42 per cent.

Concerning this year, as I said I do not propose to move any motion because it is obvious what would happen, but I should like to read an extract from the transcript of the proceedings of the estimates committee, which is found on page 320. It reads:

> Hon. Mr. Pickersgill: Of course, I admit at once, Mr. Monteith, that there is some cushion, as you call it, and we admitted that the other day. That is the amount for transportation, $100,000, which we do not expect to spend at all.

Incidentally, that $100,000 is in the $500,000 which is the estimate for this year. To continue with the minister's words:

> We do not expect to spend one nickel of that but it was included, as was pointed out to members of the committee, just in case we might find it necessary during the year, because of an abnormal movement or shortage of shipping, to charter shipping or aircraft. I do not think it would be a disaster if that were cut out of the estimates, but it is our intention to use it only for that purpose, if we use it at all. To that extent I plead guilty right off.

May I say that the minister pleads guilty to overtaxing the people of Canada by $100,000 in that one item.

Mr. Dinsdale: I believe this item covers emergency relief for immigrants. I should like to know if there has been any unusual call upon the fund during recent months. If so, is the immigrant who accepts assistance from the fund required in specific terms to repay the amount?

Mr. Pickersgill: I am most grateful to the hon. member for Brandon-Souris for raising this question. I almost got up and raised it myself. I wish we did not have to spend any of this money for emergency assistance; but in spite of the long debates we have had in the house during this session on the subject of unemployment I am pleased to be able to tell the committee that never at any time during the course of the whole winter have there been 400 people, men, women and children, receiving assistance at the same time from the department, although I have done my best to make it clear that any immigrant who had been in the country less than 12 months and was in need of assistance for himself and his family could receive it without the slightest risk of being considered a public charge and thereby deportable. Therefore there need have been no apprehension about coming to the department.

I think this indicates that our economy is not in a very shaky condition. It is true that we do make provision for this amount of $500,000. As the hon. member for Perth indicated, we have that provision there in case we need to charter a ship or aircraft in order to avoid losing some immigrants. There is this provision for assistance if it is needed. I would be very happy to be able to report at the next session that almost none of this money had been spent. I hope none of it is spent, and if none of it is spent I do not think it will be a case of overtaxing the Canadian people.

Mr. Dinsdale: There was a second part to the question, Mr. Chairman. In the case of immigrants who receive assistance, are they asked for repayment, and if so in what manner?

Mr. Pickersgill: No undue pressure is exerted at all. We do indicate we would like them to repay if they can, but they are not pursued or hounded or anything of that sort.

Mr. Brooks: Do you ever get repayment?

Mr. Pickersgill: Yes, we do get some of it sometimes. All these immigrants are self-respecting people who do not want to receive handouts.

Mr. Dinsdale: Are they sent any definite statement of indebtedness that indicates a certain obligation?

Mr. Pickersgill: I am informed we generally send one letter.

Mr. Montgomery: The question I should like to ask the minister is this. Supposing immigrants get into difficulty after they are here 12 months, but before they gain a settlement whereby they have a right to look to the municipality in which they are living for aid. In my province that takes three years. Who is going to look after them in the second and third years? Is there any provision for that?

Mr. Pickersgill: The general assumption, sir, is that immigration is of benefit not merely to the federal government but also to the provinces. While we have a special obligation during this first year while the immigrants are finding their feet, as the great majority of them do, we assume that after they find their feet they will be paying provincial taxes and helping to support provincial and local administrations just as the rest of us do, and we feel they ought, after a year, to be entitled to the same kind of local services from the local authorities. It is for that reason

we limit it to a year. I am sure if the hon. member for Victoria-Carleton found that we were giving assistance to immigrants for two or three years, when we do not give it to Canadians, he would complain and so would most other Canadians.

Mr. Montgomery: I am not going to swallow that, Mr. Chairman. I asked a question because I know of some cases in which church and other organizations have had to step into the picture. You cannot blame the municipality collecting the taxes if it does not assume the obligation when it is not supporting our own people. These municipalities do not support ordinary Canadians who have not resided in the locality for at least three years. The people must gain a settlement. There is a gap there. I was not trying to embarrass the minister in any way; what I was after was information. I know of one or two cases where people have had to step in and help these immigrants, and I was wondering if in these cases the department ever stepped in.

Mr. Pickersgill: No, sir, the department does not.

Mr. Gillis: I wanted to ask the minister what percentage of the unemployed in Canada today he calculates would have been immigrants within the last five years?

Mr. Pickersgill: I do not know at all.

Mr. Gillis: There is a camp or a pool near the city of Montreal to which immigrants who cannot find jobs are permitted to go. They receive assistance during the time they are awaiting employment, and there is provision for medical treatment and so forth. What amount of money was spent last year in that connection, and approximately how many people in that category are in that camp at this time?

Mr. Pickersgill: There is a place at St. Paul l'Ermite, maintained by my colleague the Minister of Labour, but I am afraid I could not answer the hon. gentleman. It is not my responsibility. There are a few immigrants who go there pending employment. The whole establishment is maintained by the Department of Labour and I have not the information.

Mr. Gillis: I feel the minister should have the information.

Mr. Pickersgill: I find that my estimates are quite a job, without taking on my colleague's.

Mr. Gillis: I did not say anything on the main item, but I did make some extended remarks on this subject. I have always contended that you cannot do a good job in immigration unless there is very close liaison with the Department of Labour. The two departments work together on this particular item. The Minister of Labour is not likely to have much information on the subject, because the immigration department sends these people to that camp. The Department of Labour would have to get the number who are in that camp from your department. The Department of Labour cannot send people there. When questioning the labour department I was always led to believe that this particular phase of unemployment in Canada belonged to the Minister of Citizenship and Immigration. It is certainly an indication that your department cannot do effective work in immigration and placing people in this country, unless they work very closely with the Department of Labour.

Mr. Pickersgill: Which we do.

Mr. Gillis: This is the total amount of money required to take care of that particular kind of thing. This half million dollars is part of the cost of maintaining these people in that pool?

Mr. Pickersgill: No, sir.

Mr. Gillis: It is not?

Mr. Gregg: No, Mr. Chairman; I interject here because I will be prepared to discuss that on my own estimates. The particular item concerning St. Paul l'Ermite comes under my department. I can assure my hon. friend that the closest liaison is maintained with the Department of Citizenship and Immigration as to the people coming in and going out of this hostel. I cannot tell the exact number of guests we have there just now, but it is very small. I think it is something like 15 or 18.

Item agreed to.

Indian affairs branch—
70. Administration, $444,602.

Mr. Diefenbaker: There are a number of questions that arise in connection with this general section, Mr. Chairman, on which I wish to secure from the minister the opinion of his department.

The first has to do with the liability of the Indian for income taxes. One does not have to go back very far—it was toward the latter days of the first great war—to find when income taxes were introduced into the law of this country. It was believed at that time that it was a temporary measure that would be abolished as soon as the war was over. Indeed, that fiction has been carried on pretty well ever since by referring to the act as the Income War Tax Act.

However, in recent years, and certainly I think within the last year or so, the department administering the income tax has been

imposing that tax upon Indians in respect of income which was earned outside the reserve, or in respect of any transactions executed beyond the confines of the reserve.

This has been a cause of great alarm, if not indignation, amongst the Indians. They claim, and I think rightly, that under the law, tradition and history and the treaties of the past indicate that at no time was the Indian to be subject to taxation. This was the principle back in 1763, with the royal proclamation of that year, and it was followed year by year after the establishment of responsible government in Canada until very recently.

The fiction upon which it is founded is this. We pay the Indian treaty money in recognition of the fact that he owned this country and still exercises an ownership over it, and that the government, representing the crown, is required to pay a yearly amount in ransom in compensation to the Indians for their rights and in recognition of the sovereignty they at one time enjoyed.

The Indian today is very much aroused over the imposition of income tax upon him, under the circumstances to which I have alluded. The halcyon days of no income tax upon other citizens of Canada have disappeared, but the Indian contends that there is no legal justification for the imposition of income tax upon him. Indeed, representations have been made from time to time by the chiefs to the Indian affairs branch, and the indignation of the chiefs has been intensified by the fact that at no time have successive ministers of Indian affairs been able to point out to them the legal justification for what is being done.

My information from the grand council of the North American Indian brotherhood is that two conferences under the Indian Act took place under my hon. friend's predecessor in office, but that on neither occasion was the minister able to place before the Indians the constitutional authority upon which this taxation is based.

I have the Indian Act before me, and I am familiar with the interpretation that has been placed thereon. I ask the minister if he will explain to the Indians, as clearly as he can, the legal justification in this instance, having regard to the original proclamation that was made immediately after the cessation of French rule in America, and the subsequent treaties. Will he explain how it is that his department has not had a submission made to the courts for the purpose of determining this matter once and for all? If there is liability then let the minister, representing the Indians, make a submission to the courts to determine the question; and if the supreme court of this country comes to the conclusion that the law does permit the imposition of income tax on the Indian, that will be the end of it. But I believe that so long as the income tax is imposed there will be considerable ill feeling and remonstrance among the tribes.

I am sure another chief, who is sitting in the house at the moment—I am referring to the Minister of Agriculture who, I believe, was honoured a few years ago as Chief Thunderchild—will have received representations—

Mr. Pickersgill: I am sure the minister has no exemption from income tax.

Mr. Diefenbaker: Oh, he is only honorary; and I am only honorary, too. For that reason the rights that flow from proclamations and subsequent treaties do not apply to us. All we have are the prerogatives and privileges, but none of the rights.

Mr. Pickersgill: And the feathers.

Mr. Diefenbaker: And we do not receive the payment of treaty moneys from year to year.

I suggest in all seriousness that the minister could deal with this subject, which is of greatest concern to the Indians, by the simple procedure of having this question submitted by the Minister of Justice and the law officers of the crown for the consideration and determination of the supreme court.

Then I return once again to a matter that has aroused intense indignation among the Indians. I refer to the use that has been made by the department of section 9 of the Indian Act. This has to do with the preparation of the band list, on the basis of which the question of membership in the band is determined and decided. Section 9 reads as follows:

> Within six months after a list has been posted in accordance with section 8 or within three months after the name of a person has been added to or deleted from a band list . . . may, by notice in writing to the registrar, containing a brief statement of the grounds therefor, protest the inclusion, omission, addition, or deletion, as the case may be, of the name of that person.

Then subsection 2 says:

> Where a protest is made to the registrar under this section he shall cause an investigation to be made into the matter—

And so on. Quite a number of investigations have been made. The result has been that Indian has been set against Indian within the band membership. A vast amount of ill feeling has been aroused. Gossip and hearsay have taken the place of legal evidence to determine whether or not given individuals

have the right to be on the list, because of the fact that somewhere in the past white blood found its way into the veins of some ancestors.

The result has been a great degree of ill feeling engendered and a belief that unfairness is being done. These cases of unfairness are apparent in the incongruous definitions of what is a white and what is an Indian. I am not going into the particulars of those paradoxical conclusions and decisions, but it is very difficult to understand why a half-blood becomes a white or an Indian, depending upon whether or not the Indian blood is either maternally or paternally inherited.

A large number of investigations have taken place, and I am not going to review those cases except to say that I know of no decisions that have been handed down by the registrar. I hope no decisions are handed down. I hope this species of emasculated court will not be permitted by the minister to dignify its conclusions as judgments determining the rights of individuals. I hope the minister will find a way whereby, without in any way eluding or circumventing the law, a state of affairs can be brought about which will remove this serious source of grievance.

I have known Indians over the years, since the earliest days in the prairie provinces, going back to the days of Gabriel Dumont, who returned to the area which is now Saskatchewan; I have known of the Indians of the territorial days. They are a people who are intensely loyal, and a people whose patriotic services in two world wars have been beyond words of commendation. They have the right to ask that every consideration be given to their feelings. In this regard they are aroused. They feel that something in the nature of tyrannical administration, affecting their rights and in some cases casting doubt on their ancestry, has been introduced into the law by section 9.

Will the minister not give consideration to obliterating what has been done, or at least assuring us that what has been done will not be continued in the future and that what commissions have been appointed will not render final decisions? I think fairness, justice and equity would be assured if a simple, retroactive declaration were made by law, that those who were resident in the bands several years ago shall be considered to have been regularly constituted members of the bands, thereby putting their descendants in the same position. Something of that kind would certainly bring about a condition under which many cases of injustice, as the Indians see it, would be avoided.

I make this appeal to the minister because I know that since he has taken over his portfolio there has been nothing in the nature of any decision by the registrar. Nothing has been done beyond the hearings by the commissions. For all that he deserves the thanks of the Indians, and I am sure he will receive them. But I do ask him to go one step further and give these people the assurance that their rights will not be subject to periodic challenge based on hearsay and suspicion. One just has to read the evidence given at these commissions—I dignify it by the name of evidence, because I have no other word that would apply; "testimony" might be more applicable—to learn that witnesses come along and give evidence to this effect. They say their grandmother allegedly told somebody else that a third party had a doubtful ancestry.

Well, that kind of thing may be the only testimony available; but when there is the incentive to exaggerate the evidence because of the fact that the more who are removed by such evidence the fewer there will be in the band, and the fewer in the band the more money there will be to distribute, one can understand the forces that motivate the giving of that type of hearsay evidence.

I ask the minister to give reconsideration to this matter, for I have never known the Indians on the western plains to be more aroused than they are at the present time. They are aroused at what they believe to be an injustice, the basis of which they cannot understand. They do not realize the purpose of the commissions nor the ends to be attained.

Mr. Campbell: I am hoping that because a committee has been set up to study the estimates we shall not do away entirely with the discussion of a problem as serious as our Indian problem in Canada. I have several thousand Indians in my constituency who are living under deplorable conditions. It is true that conditions have improved a little. I hope the improvement will continue more rapidly.

There has been no discussion of the Indian problem on the floor of the house during this session. At the last session there was very little. During the years of the twentieth parliament a committee was established, composed of a lot of very fine gentlemen and one lady senator. They studied this problem at great length. There was a lot of discussion, and the people of Canada and the members of the House of Commons generally realized that it was a major problem. The Indian Act was revised, and steps were taken to make a start on making conditions easier for the Indians and teaching them a new way of life.

First I want to say I am not on my feet tonight to make carping criticism of the Indian affairs branch of the Department of Citizenship and Immigration. When the present Minister of Finance took over this department he showed a great deal of interest. He gave this problem a great deal of thought. Indians came in and talked to him on many occasions. I will say this for the minister; he won the confidence of the Indians. Any minister who is to properly administer this department must first of all get the Indians to have confidence in him. I am hoping the present minister will do as good a job and be as thoughtful in dealing with the Indians as the present Minister of Finance when he was in that department.

One thing I have learned about the Indian is that he never forgets. If you do him a good turn he will remember it; but if you do him a bad turn, or if you speak hastily at times without giving consideration to what you are saying, you make an enemy instead of a friend.

I did not speak on Indian affairs last session because I had been out of the house for four years. I had lost contact with my Indian friends, and I was not in a position to know what had been done since the new act was proclaimed and the new thinking regarding the whole Indian problem had been adopted. Last summer I did make it my business to go to a number of reserves in my constituency. It was so muddy that I was not able to get to them all, but I found that quite an improvement had taken place.

When I was in the House of Commons in 1945, 1946 and 1947 I emphasized two things. The first was that we had to provide Indians with schools so they could get an education. Schools were built on all the reserves. Another thing I mentioned was the need of hospitals. We have a good hospital in our area that takes good care of the sick Indians. The second thing was housing. Houses have been built for a few of our older Indians.

By the way, the Indians in one particular reserve, the Thundercloud reserve, sent word and asked me to come up and see them. I went. I sent word of the day I would be there. When I got to where the road turned off the highway I was met by an Indian who guided me in to the reserve. I am sure if he had not been there to guide me I would not have been able to find my way through the potholes.

I was met and welcomed by the chief of the band. He held my hand for a long time and said, "I think I never see you again. You good friend." I think that repaid me for any little work I have done in connection with Indians. We had a long conference. Most of the band were there, and a number of suggestions were made by the Indians, who asked me to bring their case before this House of Commons. That is why I am on my feet tonight.

One of the first things I asked them to do was take me to some of the houses in which they were living. Mr. Chairman, I wish all the members of this House of Commons and the people of Canada generally could see the type of houses in which the majority of these Indians are living and the conditions under which they are living. There would be no hesitation whatsoever in giving all the assistance possible to the Indian affairs branch and the minister who is administering that department to make things different, although there have been a few houses built for the older Indians.

Here we have people who for generations had a whole country from which to get their living. Whenever they got hungry they could go out and kill buffalo, deer or antelope, and provide themselves with plenty of food. They could make a shelter, and they could get their clothing from the skins of those animals. Those days are completely gone. The older generation that got its livelihood in that way are completely lost. They do not know how to do any of the kinds of work the white man requests of them. They have absolutely no way of making a living. If it were not for the fact that we have family allowances, and that the old Indians are now getting old age pensions, the Indian affairs branch would either have to feed all those people or let them starve to death; one or the other.

I looked at a number of these houses lived in by the majority of whom I am talking. What kind of houses do they live in? They have gathered a few logs—and not very good logs—they have a wall six or seven feet high, and they have put on an earth roof on which there is very little pitch. Last summer it rained almost continuously for weeks, and for days on end water poured through those roofs on to the people who were in those shacks. I want to warn the department here that if something is not done soon, at least to get roofs that will shelter these people from rain, we are going to have a recurrence of tuberculosis. Neither an Indian nor anybody else can live in that kind of housing and be free from tuberculosis and many other diseases.

I find that this has taken place during the last few years. As I said earlier we have had day schools on these reserves for the last three years. Now we have a generation of boys and girls between 16 and 19 years of age coming out of school who can read and

write but cannot do very much else. In the village where I live we are not far from three different reserves. In the last two or three falls dozens of young men have come into our district looking for work. What kind of work can they do? They cannot do any work. They do not really know how to do anything. There are jobs. There is a scarcity of farm labour in my constituency, and in my district particularly.

The white farmers do not hire these boys. Why? Because they cannot drive a truck, they cannot handle a combine, they cannot handle a tractor. Today we have mechanized farming, and unless these young men have some kind of training in operating these machines I do not know what is going to become of them. They are going to become a charge on our people. They are going to become a group of tramps. I think something should be done to provide these boys with some kind of help to learn how to do things.

I had a conference with some of the officials of the department yesterday or the day before, and I made the suggestion that some kind of technical training should be given these boys. I am not proposing that the government or the department set up a large technical training scheme. I do not think it would be practical and I do not think it would work. It would be costly, and it might be a complete failure. But I do think that the department could have a few mobile units—a van with a mechanic and a carpenter—which would spend perhaps two or three weeks on each reserve and then move on. We could see next year what progress they had made.

As I have stated, these Indians need homes. That is one of the first things they need. They have no idea how to set about building a wooden house. If they could get some training so that even a few of them could get started, it would be of great benefit. It does not take a very clever carpenter to build a house. Nearly anybody with average intelligence, after working with a carpenter for a few weeks, could learn how to build a house. A mechanic could give some basic training in practical mechanical matters.

Some of the reserves are getting a few tractors, and a few of the Indians on these reserves are getting a small number of old trucks. I have not seen any good trucks; I have seen a number of trucks which are barely hanging together as I passed through on the road. When the trucks broke down they were not able to repair them. One of the reasons these trucks broke down is that these people did not know how to operate them or take care of them. That is a suggestion. I think that some practical beginning has to be made along these lines.

I do not know what they are going to do about the girls. The girls are in this position, that they are leaving home. When they come out of school a few of them have been taken into the Indian hospital in North Battleford and have received training. Some of them have lived in the hospital for two or three years. They have learned how to cook with an electric stove, and they have had frigidaires. They have had nice rooms and clean beds and have been well dressed. They meet young Indians and decide to get married. Then you are up against a serious problem. When they get married they just go back to the reserve and live in one of these shacks.

The day I was on one of the reserves there was a very clean, well dressed, nice looking girl. She had spent three or four years in the hospital and had that training, and she had married an Indian and gone back to one of these houses, about which I am talking, to live with the parents. There is not much hope for the girls, as far as I can see, until we get the boys trained so they can earn a living and are able to build a decent house to which to take their wives. This is a problem to which I have given much thought and about which I have been very much concerned.

When I was reading the reports of the estimates committee, in report No. 14, at page 413, I found a statement that made me feel badly. This was a statement by the hon. member for Moose Jaw-Lake Centre. The committee were discussing housing, and the item in question was to provide a sum of money to build houses for these Indians who could not afford to pay for them themselves. The hon. member for Moose Jaw-Lake Centre said:

> I should like to make it clear that I think it is fine to build these houses if you are going to try to make the Indian pay it back over a period of years, like any other citizen, but for the life of me I cannot understand why we build homes for Indians—I do not care how destitute they are—unless we try to get some of the money back.

As I said, Mr. Chairman, I felt badly about that statement. I hope the hon. member did not really mean it. I hope there are no other members in the House of Commons who have the same idea. I want to make this promise to the minister. As far as I am concerned, and as far as this group are concerned, we will give him every encouragement not only to build houses but to do as much as possible for the Indians who are in the desperate condition most of us know about.

I want to cut short what I was going to say; nevertheless I want to make one or two

more suggestions. One of the questions the Indians discussed with me was the difficulty they had in getting meat. I said to them, "Can you not get any deer, moose or anything like that?" They said, "The trouble with us is this. When the season is open for deer, while it is true there are deer in this country the white men come out by the hundreds, and we are afraid to go out in the bush while the white men are hunting. If you could just get the government to give us one day or perhaps two days so we could get some meat for ourselves, we would appreciate it. We do not hunt for sport. When we go out, we go in order to try to get some meat." I said, "That is a provincial matter, but I will draw it to the attention of the government and ask if they cannot make some arrangement with the provincial government to give the Indians that privilege."

Shortly after that discussion I came across an article in the Saskatoon *Star-Phœnix* of February 11, 1955, which illustrates this point clearly. It is headed "Disgraced" and it reads as follows:

> Saskatchewan hunters must look upon the 1954 game bag with mixed emotions. True, they carried home more than one million ducks and more than 20,000 deer, as well as much other game. But they can scarcely be proud of the fact that 13 hunters died from wounds and that 39 others suffered non-fatal injuries. Such sombre statistics are indeed cause for reflection.
>
> Other figures should cause not a few red faces. Apart from human and legitimate game targets, hunters' bullets found their marks in 19 cattle, three calves, six horses, one goat, several gasoline drums, a combine, a car and a truck. Some of the shots which did this damage were fired deliberately and criminally. Others were fired in thoughtless stupidity. Hunters must accept public ridicule for such acts and vow to reform, or they must accept the doubtful reputation of being anything but keen-eyed. As such they disgrace their prehistoric ancestors, who lived by taking careful and unerring aim.

Mr. Chairman, the committee has listened to me patiently. I know the minister is in a hurry to get through. I am therefore going to curtail my remarks. However, I want to assure the minister that even though I am sitting on the opposition benches, if there is anything I can do to help to solve this problem he can count on my support.

Mr. Bryce: Mr. Chairman, I want to say a few words on this item. During the first two parliaments that I sat in this chamber I had many Indians in my constituency. Then there was a redistribution and I lost the Indians but I never seemed to lose contact with them.

Before I say the few words I wish to say, may I assure the minister that I do not rise with any animosity toward him, the department or anybody else. I am like the hon. member for The Battlefords; if I can do anything at all to help in solving this Indian problem I shall be only too pleased to do it.

When the minister replies—and he does not need to do so until he is ready—I should like to know how many more houses have been built at Norway House since the last time I represented the constituency. I might assure the minister that I am going there this summer. I have made arrangements to go this summer to Cross Lake, and Norway House, when the house finishes its work. I should like to know about the hospital stations. I had some trouble getting to see them but I got there anyway, and I saw how they were working. I thought they were a credit to the department.

In about 1949 the department of Indian affairs sent four Indian nurses to New Zealand to be trained as midwives. What happened to them? Did they come back? Where are they working today, or have they gone into the ranks of the married? In the veterans affairs committee I asked questions about our Indian soldier settlers. I obtained the information that in Manitoba there are 78 such settlers. I should like to know from the minister what progress they have made. Have they their farms half paid for yet, or is the interest going to beat them? What is the situation there? The minister can either drop me a note and tell me about that matter or he can tell me when he is answering the other questions.

The hon. member for The Battlefords spoke about vocational training. I think that is a wonderful thing. My experience in the north country has been that when you teach the Indian something he does not forget it. He is also quick to learn. At Norway House there was a young Indian—I think he was about 18 or 19 years old—who could slab logs better than any white man I ever saw. Unfortunately that boy was drowned, but there will be more like him there.

I did some visiting in some of the houses there. In one of the houses I visited there were parts of two outboard motors lying around. I do not know how many pieces there were, but to me there looked to be about 30 or 40. I asked the young chap there what he was going to do with them. He said he was going to make one engine out of two. I served a good apprenticeship on the river Clyde, building boats, engines and so forth, and I thought he had quite a job in hand. But two days later I saw him coming up the Nelson river with the two engines made into one. He had done a wonderful job. I might tell you that the only tools he had were a pair of pliers and a soldering bolt.

I therefore say this. Do not have any hesitation about this vocational training. I do not know just how it can be done, but there must be plenty of brains in the Indian affairs department which can devise ways and means to bring this vocational training to these young men.

What has happened since we brought health services to the Indians? Let us go back to when I came to this house first in 1943. Conditions among the Indians then were deplorable. The death rate was very high on some of the reserves. That situation has been remedied by the services the Indian department has rendered, but you have a bigger problem on your hands now than you ever had before because the Indians are not dying in such numbers. There are gradually becoming more of them, and you have to face the problem whether you are going to make the Indians wards of the government for all time to come or whether you are going to put them on an equal basis with white men.

The Indians were the original settlers of this country, and I think we should try to get them straightened out before we have more Indians than white people. I want to ask the minister one more question. Why does Manitoba only get a grant of $250 for fairs while Alberta and Saskatchewan get more? I do not like to see Manitoba discriminated against in these matters. I am not going to take any more time, because maybe somebody else wants to say something.

Mr. Blackmore: I have no desire to hold up the proceedings tonight. I have been deeply interested in all that has been said up to the present time. There is no doubt that most of the Indians are in a very deplorable situation economically and that they face a yet more deplorable situation if unemployment develops as it appears it is going to develop and they become unable to obtain the employment which they have been obtaining during the last few years. I ask hon. members to imagine the state they will be in. I thought I should like to have the minister give us some idea of what he has in mind in connection with the various problems which have been so well indicated by those who have already spoken. Could the minister talk to us a while about this matter?

Mr. Pickersgill: Before I attempt to do that, perhaps I might anticipate the hour and ask if the committee would give its indulgence for a very few minutes after ten o'clock. I am informed there is a real prospect of finishing if we could have that indulgence. I shall make my remarks very brief. With respect to the specific questions asked by the hon. member for Selkirk, perhaps he would, as he rather indicated, let me give the answers on another occasion, because they involve a little research.

Mr. Bryce: Don't forget. That is all I ask.

Mr. Pickersgill: Oh, I have a fair memory, and I can assure the hon. member for Selkirk that if there is one province—well, with one possible exception—I would not want to discriminate against, it is Manitoba.

I thought the remarks made by the hon. member for The Battlefords and the hon. member for Selkirk were most constructive. There is no doubt that the very excellent work done in recent years by the Department of National Health and Welfare in eradicating disease among the Indians and improving their general health has, as several hon. members have indicated, created a very serious problem.

The traditional way of life of many of the Indians, especially in the northern part of the country, cannot be pursued by all those who are growing up now. I feel pretty sure that education and the kind of housing which will make it possible for them to profit by education are, as the hon. member for The Battlefords indicated, the two real keys to this problem. We are deeply concerned about the problem of technical education and the best and most practical way of accomplishing it. I could continue at considerable length about this matter, and on another occasion I shall be very happy to do so, but perhaps just saying what I have said is almost enough.

In my view these are the two key things, and the more closely the education of the Indians is integrated with the education of the rest of the population the sooner the Indians will be able to live with the rest of us on equal terms, compete on equal terms and become indistinguishable from other Canadian citizens. That, it seems to me, should be our ultimate goal. By that I do not mean to suggest for one minute—I have been warned about this—that anyone has the slightest thought of taking away from the Indians any of their treaty rights, traditional rights, or anything they feel especially belongs to them, or of using any form of compulsion whatsoever to make them change faster than they are willing to change. I think the task is to try to persuade them that by changing, by improving, by becoming educated, they will have a better way of life. This is not going to be easy.

One thing I appreciated very much in what was said by the hon. member for The Battlefords was the tribute he paid to my hon. friend the Minister of Finance. It is true. In my very limited experience of visiting

reserves I have found that the Minister of Finance did gain the confidence of the Indians all over the country, and I can assure the hon. member that he set a very high standard for me when he said he hoped I would do as well. So do I.

Mr. Michener: Because they do not pay any taxes.

Mr. Barnett: Mr. Chairman, I do not propose to extend the discussion of this subject at any length, but I should like to mention one or two points arising out of my observation of the situation in respect of the Indians in the area from which I come. I remember visiting one of the Indian villages during last summer. I made some comment to the chief, who was showing me around, that the children looked to be quite healthy. I still remember clearly the gleam that came into his eye when he pointed out to me that for the first time within his memory, and he was not a young man, the population of his little tribal group was on the increase instead of the reverse being true.

I also had the opportunity of visiting two or three of the schools, and I must say I was very pleased with the type of buildings and the equipment that appeared to be available in schools in fairly isolated locations. Certainly to my way of thinking they compared quite favourably with the general public schools of that district on the coast of British Columbia.

There is one matter of policy on which I should like a word of clarification from the minister, if he is in a position to give it. It has to do with a subject on which he only touched in his recent remarks, the question of when our Indians become full citizens of the country. Perhaps I might put the question in the form of a riddle. When is a fisherman not a fisherman on the coast of British Columbia? I suggest that possibly the answer to that might be, when he is an Indian.

Mr. Pouliot: Or when he does not catch fish.

Mr. Barnett: The reason I have put the matter in that way is that I should like to know first of all whether there is a policy and, if so, what is the policy with respect to the construction of certain works in connection with fishing operations and that sort of thing in the coastal areas of British Columbia? About a year ago I had occasion to look into a proposal for providing certain facilities which fishermen need for tying up their boats and so on. I must say that a very thorough investigation was made of the project, but I shall not go into any of the details. I discovered that in this particular case if the project had been proceeded with it would have been constructed by the federal department of works, but that the funds would have come from the money provided for the Indian affairs branch.

On the other hand I know of other instances, and I can mention one example, where that was not the case. There is an item appearing in the details on page 498 of the estimates book, under public works, harbours and rivers engineering branch, which provides for breakwater repairs at a location which is definitely in Indian territory.

I should like to know whether there is any general policy in respect to where the line is drawn, or whether the policy is perhaps made on an ad hoc basis. I should like to know whether this matter has been discussed among the Indian affairs branch, the Department of Public Works and possibly, as I suggested, the Department of Fisheries. Is there any real policy in respect of that, or is it something that has not been clarified? If there is a policy, could the minister tell us briefly what that policy has been or is likely to be?

Mr. Pickersgill: That is a question to which I should really like to give consideration before answering. If the hon. gentleman would not mind letting me give the answer at a later time, I shall undertake to do that.

Mr. Barnett: That would be quite satisfactory to me, Mr. Chairman. It is something that I feel would be useful to know in the event of other matters coming to my attention or that of the other members who live in coastal areas in which these problems are apt to arise.

Mr. Herridge: I am going to be quite brief, Mr. Chairman, so I do not want you to look glumly at me. I want to bring to the minister's attention the fact that I have one Indian and one reserve in my constituency. I am speaking now of the sole survivor of the Arrow Lake band and the Arrow Lake Indian reserve. It is a small reserve in a very beautiful spot on the lake. I am just bringing this to the minister's attention, and asking if it is possible for a few other families to be brought in to utilize that beautiful reserve on a lovely bay with a sandy beach. There may be a possibility of bringing some other Kootenay Indians in there so they could enjoy the facilities, and continue the reserve as the Arrow Lake reserve. I just bring that to his attention.

Mr. Pickersgill: I shall have a look at the matter.

Item agreed to.

Education—

78. Administration, operation and maintenance, $8,521,245.

Mr. Dinsdale: There are a few brief comments I want to make on this item. I have listened carefully to everything that has been said thus far in this discussion. I would agree that this item concerning education is crucial in everything that has taken place here this evening. I appreciated the information that was revealed in our discussions in the estimates committee on this topic of Indian affairs. It was also encouraging to note the minister's emphasis then, and again tonight, on the need to gradually move away from paternalism by gradually breaking down the segregation of our Indian population.

In this connection I would say that education is fundamentally important. It seems to me that the emphasis on establishing day schools on the reserves rather than depending upon residential schools is important in this whole process. During the Easter recess I took the opportunity of visiting two reserves in my own constituency to see the sort of activity that was taking place out there. I am glad to see this move toward establishing schools on the reserves, and I would merely say that I hope the educational program carried on there will be just as broad as possible under the circumstances. I hope it can include the adult population as well as the juvenile population, because an adult education program goes hand in hand with breaking down this segregation.

Finally there is the matter of coeducation which is also proceeding; that is, the mixing of white and Indian children in the same schools. I investigated the situation in my own city of Brandon, and I found that the superintendent of education is very keen about this coeducational program. He is anxious to promote it just as far as is possible. However, he had one small complaint. He finds there are not sufficient students of high school age arriving at the local residential school to incorporate into the city high school program. There was a feeling this might arise as a result of a certain misunderstanding and difference of interpretation between the local superintendent of schools and the superintendent of Indian schools.

In summing up, I would say I do agree that we are moving in the right direction in connection with this problem. If what we have on paper is vigorously implemented in the years that lie ahead, we will gradually work toward the desired goal of uniting the Indians with the general population.

Item agreed to.

National gallery of Canada—

81. Administration, operation and maintenance, including industrial design division, $250,808.

Mr. Knight: May I ask the minister if these items from here to the end of his estimates were considered by the estimates committee?

Mr. Pickersgill: Yes, we spent one whole session on them, and they were quite fully discussed.

Item agreed to.

82. Payment to the national gallery purchase account for the purpose of acquiring works of art, in conformity with section 8 of the National Gallery Act, $130,000.

Mr. Monteith: I have just a short comment on this item. I do not want to hold up the committee at all, but I should like to say that these cash accounts, as they are called, are quite confusing both to the house and to the general public. For instance, it was intimated in the estimates of 1952-53 that the estimates totalled $406,000. Actually the amount spent was roughly $108,000 out of this purchase account; that was just the amount spent, and this actually was charged up in the estimates. Conversely, in the year 1953-54 there was $490,000 in the estimates and the amount spent was $699. My only point in bringing this to the attention of the house is that I do not think the estimates as they are presently drawn give a true picture of the estimates and expenditures.

Mr. Pouliot: Perhaps the minister made great bargains in buying paintings.

Mr. Pickersgill: I would like to think that the gallery had, but I have not done the buying myself.

Item agreed to.

Resolutions adopted in committee of supply this day reported, read the second time and concurred in.

BUSINESS OF THE HOUSE

Mr. Harris moved the adjournment of the house.

He said: On Monday we shall begin with the second reading of the bill respecting unemployment insurance. I understand it is going to a committee for study. After second reading is given we shall revert to the budget debate.

Motion agreed to and the house adjourned at 10.12 p.m.

Supply—Citizenship and Immigration

[The following items were passed in committee of supply]:

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

A—Department—

59. Departmental administration, $493,651.

Citizenship—

60. Citizenship registration branch, $226,598.

61. Citizenship branch, $725,323.

Miscellaneous grants—

62. Canadian general council of the Boy Scouts association, $15,000.

63. Canadian council of the Girl Guides association, $12,000.

64. Boys' Clubs of Canada, $10,000.

65. Canadian Writers' Foundation, $4,000.

Immigration branch—

66. Administration of the Immigration Act, $892,756.

67. Field and inspectional service, Canada, including $10,000 for grants to immigration welfare organizations, $5,648,955.

68. Field and inspectional service, abroad, $1,832,494.

69. To provide, subject to the approval of treasury board, for trans-oceanic and inland transportation assistance for immigrants, including care en route and while awaiting employment, $500,000.

Indian affairs branch—

70. Administration, $444,602.

Indian agencies—

71. Operation and maintenance, $2,321,336.

72. Construction or acquisition of buildings, works, land and new equipment, $576,448.

Reserves and trusts—

73. Operation and maintenance, $257,676.

Welfare of Indians—

74. Operation and maintenance, $2,315,021.

75. Construction or acquisition of buildings, works, land and new equipment, $1,022,865.

76. Grants to agricultural exhibitions and Indian fairs, $7,350.

77. Fur conservation, $332,155.

Education—

78. Administration, operation and maintenance, $8,521,245.

79. Construction or acquisition of buildings, works, land and new equipment, $3,927,900.

80. Grant to provide additional services to Indians of British Columbia, $100,000.

B—National gallery of Canada—

81. Administration, operation and maintenance, including industrial design division, $250,808.

82. Payment to the national gallery purchase account for the purpose of acquiring works of art, in conformity with section 8 of the National Gallery Act, $130,000.

83. Grant to Royal Canadian Academy of Arts, $4,025.

HOUSE OF COMMONS

Monday, May 9, 1955

The house met at 2.30 p.m.

HOUSE OF COMMONS

LEADER OF THE OPPOSITION—BIRTHDAY FELICITATIONS

Mr. Speaker: May I take advantage of this first opportunity since Saturday to wish the Leader of the Opposition (Mr. Drew), who celebrated the anniversary of a birthday on that day, many happy returns.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I simply wish to thank you as well as all hon. members for your kindness. Perhaps it is a platitude; nevertheless it is true that there comes a point where the only pleasant thing about a birthday is that it provides an opportunity for your friends to say that they remember you.

PRIVILEGE

MR. GOODE—REFERENCE TO ARTICLE IN NEW WESTMINSTER "COLUMBIAN"

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I rise on a question of personal privilege. A newspaper report datelined Ottawa, May 6, and published in the *Columbian* of New Westminster, British Columbia, is headed "Goode moves in with Socred group". The item goes on to say this:

> Tom Goode, Liberal member for Burnaby-Richmond, has moved in with the Social Credit members in the House of Commons. Goode, who shared an office on the main floor with J. A. Byrne, Kootenay East, has now moved upstairs to the sixth floor where Social Credit members and some C.C.F. are contained.

Some hon. Members: Oh, oh.

Mr. Goode: This is a most serious matter to me, Mr. Speaker. After listening to my statements I hope that my friends will also consider it to be serious. The article continues:

> Liberals are housed on the ground floor and third floor. Conservatives and some C.C.F. are on the fourth and fifth floors and Social Credit, some independents and C.C.F. are in offices on the top floor.
>
> Goode, who has served on the government's standing committee on external affairs, has been replaced on that body by Maurice Boisvert, Nicolet-Yamaska.

Mr. Speaker, the statement has no substance whatever in truth. I do not need to tell you that the office arrangements listed in the article are entirely wrong. I have had an office on the sixth floor of this building since the first of this parliament. I share that office with the Liberal member for Papineau (Mr. Meunier), and I am most happy with those arrangements. Alongside of me are ten other Liberal members of parliament, each of whom, because of the arrangement, could be accused of joining another party. I think the house will agree that the statement which I have read to you is an example of yellow journalism at its very lowest. It has always been my impression in this house that legislation has been suggested from opposition parties which I could support, because in my view it would build towards national unity and was for the betterment of the Canadian people. I propose to continue that course.

This article has been printed by an irresponsible newspaper and I have been assured that no member of the press gallery in Ottawa sent the article to the west. Nothing but contempt can be held for a paper whose policy would direct that an article of this kind should appear on its pages. I challenge the *Columbian* in New Westminster to prove that this article is correct, and I challenge them to name their Ottawa correspondent. The people of my riding will know how to deal with such a contemptible political move.

Mr. Speaker: Order. The hon. member is going beyond correcting the statement concerning him which has appeared in the press. Having done what he thought he should do, the hon. member should not go further.

Mr. Goode: Perhaps I might answer the last statement, Mr. Speaker. I serve on many committees of the house. During this session I asked the British Columbia Liberal whip, the hon. member for Vancouver-Burrard (Mr. MacDougall), to have me replaced on the external affairs committee for this session. There have been days when I have had six committee appointments in one day, and I felt it fair to my colleagues from British Columbia to tell them I could not attend to all my commitments. The B.C. whip immediately had me replaced.

COMMITTEES OF THE HOUSE

CRIMINAL LAW—CONCURRENCE IN FIRST REPORT

Mr. D. F. Brown (Essex West) presented the first report of the special joint committee of the Senate and House of Commons on

capital and corporal punishment and lotteries, and moved that the report be concurred in.

Motion agreed to.

BROADCASTING—FIRST REPORT OF SPECIAL COMMITTEE—MOTION FOR CONCURRENCE

Mr. Pierre Gauthier (Portneuf) presented the first report of the special committee on radio broadcasting.

[*Later:*]

Mr. Gauthier (Portneuf): I move, by leave of the house, that the first report of the special committee on broadcasting and television be now concurred in.

Mr. Low: I wonder, Mr. Speaker, if it would not be possible to ask for concurrence in this motion on another day when the members of the committee and the house have had an opportunity to read the report?

Mr. Gauthier (Portneuf): It has been read by the assistant clerk of the house. It is a very short report.

Mr. Speaker: The motion has to be put by leave. If the hon. member for Peace River (Mr. Low) obects to concurrence being moved now, it will have to wait. I understand that is the position of the hon. member; and therefore the motion will have to be put at a later date.

Motion stands.

MEAT

INSPECTION OF PRODUCTS ENTERING INTERNATIONAL AND INTERPROVINCIAL TRADE

Right Hon. J. G. Gardiner (Minister of Agriculture) moved for leave to introduce Bill No. 352, respecting the inspection of meat and meat products entering into international and interprovincial trade.

Motion agreed to and bill read the first time.

QUESTIONS

VOCATIONAL TRAINING, N. S.—FEDERAL CONTRIBUTION

Mr. Balcom:

What contribution under the various classifications have been made in 1954 by the federal government towards vocational training in Nova Scotia?

Mr. Gregg: Following are the federal government contributions in respect of programs operated under the vocational training act in Nova Scotia for the fiscal year 1953-54: Training of unemployed, $76,741.15; youth training, including student aid, $39,099.37; training for the armed forces, $5,917.63; training of workers for defence industries, $56,947.26; apprentice training, $47,312.60; assistance to vocational schools, annual allotment, $119,559.39; vocational correspondence courses, $309.00. Complete figures for fiscal year 1954-55 are not yet available.

FISHERIES STATISTICS, NOVA SCOTIA

Mr. Balcom:

1. How many men are employed at deep sea fishing in Nova Scotia in (a) trawlers or seine liners; (b) inshore fishing?

2. What is the value of (a) catch of trawlers or seine liners; (b) equipment used in trawlers or seine liners; (c) catch from inshore fishing; (d) equipment used for inshore fishing?

Mr. Sinclair:

1. In 1953 the following numbers of men were engaged in primary fishing operations:

On trawlers	476
On draggers	378
On vessels (10-40 tons)	2,762
In boats (less than 10 tons)	10,112
Other	597

The men employed on trawlers were definitely offshore fishermen.

Those on draggers and on vessels of 10 to 40 tons were probably predominantly offshore fishermen.

Those fishing in boats of less than 10 tons or those fishing without boats would be inshore fishermen.

2. Value of catch and of fishing equipment, Nova Scotia, 1953:

	Millions
(a) Value of catch taken offshore	$ 6·2
(b) Value of catch taken inshore	15·3
(c) Value of equipment used in offshore fishing	10·0
(d) Value of equipment used in inshore fishing	9·8

The value of the catch taken offshore and inshore is estimated. Value of equipment used in offshore fishing includes the value of all vessels of 10 tons and over; that of equipment used in inshore fishing includes the value of boats (less than 10 tons) and of all fishing gear used in the inshore fishery like nets, traps, weirs, etc. The value of shore installations of all kinds is omitted from both categories.

FEDERAL BUILDINGS, VANCOUVER, B.C. —JANITOR SERVICE

Mr. Winch:

1. Has the janitor service in the new customs building at Vancouver been let out on contract?

2. If so, what is the amount of the contract and to whom was it let?

3. Does the contract make provision for maintenance of wage standards, hours of work and benefits in line with those existing in the civil service for similar work?

4. Are janitor services in the other federal buildings in Vancouver and in the new post office to be let on a contract basis?

5. If so, what is the purpose of this change in policy?

Mr. Bourget:

1. Yes.

2. (a) $37,200. (b) Modern Building Cleaning Service of Canada Limited, Vancouver, B.C.

3. The contract provides that no workman employed on the work shall at any time be paid less than the minimum rate of wages as set forth in schedule of wages issued by the federal Department of Labour and to work not more than eight hours per day and 44 hours per week.

4 and 5. There is no change in policy. A contract was awarded for janitor service in the customs building for the purpose of establishing comparative costs.

QUESTIONS PASSED AS ORDERS FOR RETURNS

P.F.A.A., TOWNSHIP 30, RANGE 22, ALBERTA

Mr. Johnston (Bow River):

1. What was the number of each of the sections which made up the eight-section block in township 30, range 22 W-4 M.D.-48, Alberta, for the year 1954 under P.F.A.A.?

2. What was the yield per acre for each of the above sections?

3. What was the name of the farmer in each case and how much was he paid under P.F.A.A.?

DISTANT EARLY WARNING LINE

Mr. Castleden:

1. Is the Canadian government committed to assist in the construction or the manning of the distant early warning line?

2. Have any arrangements been made through which Canadian construction firms may tender for construction contracts on this line?

MOTIONS FOR PAPERS

NORTHWEST TERRITORIES—CROWN ATTORNEY

Mr. Fulton:

For a copy of all correspondence exchanged between the Minister of Justice and the crown attorney of the Northwest Territories in the month of April, 1955, relating to the position of crown attorney of the Northwest Territories.

Mr. Garson: I wonder if my hon. friend from Kamloops would agree to adding after the words "the month of April, 1955," the following words, "and up to and including May 5, 1955." There is a reply of mine which went back as of that date, and the return would be incomplete if it were not included.

Mr. Fulton: I am agreeable, Mr. Speaker.

Mr. Speaker: Shall the motion carry, as amended?

Motion as amended agreed to.

NATO Council Meeting

GRAIN COMMISSION—COMMISSIONER

Mr. Argue:

For a copy of all correspondence, letters, telegrams and other documents since March 8, 1955, which have passed between any department of the government and any person, persons or organizations, relative to the appointment of a person or persons to the board of grain commissioners.

GRAIN COMMISSION—ASSISTANT COMMISSIONER

Mr. Argue:

For a copy of all correspondence, letters, telegrams and other documents since January 1, 1954, which have passed between any department of the government and any person, persons or organizations, relative to the appointment to the position of assistant commissioner on the board of grain commissioners.

CANADA ELECTIONS ACT

AMENDMENTS TO INCREASE SALARY OF CHIEF ELECTORAL OFFICER, ETC.

Hon. J. W. Pickersgill (for the Secretary of State) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Canada Elections Act including provision for an increase in the salary of the chief electoral officer.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

EXTERNAL AFFAIRS

PARTICIPATION OF FEDERAL REPUBLIC OF GERMANY IN MEETING OF NATO COUNCIL

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am sure hon. members would not like to see pass unnoticed in the records of the house the significance of the participation for the first time of the representatives of the Federal Republic of Germany in the meeting of the North Atlantic council in Paris today. Perhaps I might be allowed to read into the record the statement made in that connection on behalf, I am sure, of all members of the house and of the people of Canada generally on the importance of that event. It is as follows:

The historic significance of this council meeting is apparent to us all. The German Federal Republic, as a result of agreements freely concluded, and which have been approved by our legislatures, now becomes a member of NATO— an organization devoted solely to international peace,

security and welfare. We warmly welcome Chancellor Adenauer as the first representative of Germany to our council, and as a man who has already proven his devotion to the ideals we share.

We are here also to examine in confidence and frankness the international situation, particularly in the light of recent developments. That situation, at least in Europe, has improved. This gives us reason for satisfaction, but none for abandoning those policies which have to a large extent been responsible for that improvement.

This council meeting marks the successful completion of long and patient effort by those around this table and by others who are no longer with us on the council to broaden and strengthen the basis of our NATO association.

It marks also a new phase in the development of both European unity and the Atlantic community. France and Germany, not because they forget, but because they remember the past, have come together in a western European union which includes Italy, Belgium, The Netherlands, Luxembourg and also Great Britain whose vision across the seas has not prevented the acceptance of a new and indispensable European role. Europe, however, even a uniting Europe, is not enough, and NATO, the vigorous and hopeful expression of the Atlantic idea, is recognition of that fact.

NATO is growing stronger and free Germany adds to that strength. This strength is, however, merely a means to an end, international peace and security. Therefore we must exploit every genuine opportunity to seek by negotiation solutions for the problems which today keep alive fears and tensions in the world.

This remains our most important NATO task. Only strength and steadiness will see it through to a successful conclusion.

All these things have been said so often by so many so much better than I have been able to do that I feel almost apologetic for repeating the obvious. I am, however, grateful for the opportunity to reaffirm, and on an occasion of such momentous importance, the loyalty of the government and people of my country to the ideals of peaceful and fruitful co-operation which inspire this great Atlantic organization, into which we now welcome our German colleagues. The developments which have culminated in this meeting give us greater reason for faith and confidence in the future.

I am sure we all share that faith and confidence in the future and we all hope that France and Germany will not have to forget but rather will remember the past to make effective and lasting their united efforts to further peace and happiness in the world.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I feel it would be appropriate that I should say a few words with regard to the statement the Prime Minister has placed on the record concerning this extremely important event that has taken place today. It is in fact one of the most unique events in history. It comes on the tenth anniversary of V-E day. It comes on the tenth anniversary of a time when our forces were discovering the full horrors of Dachau, Buchenwald, Belsen and those other camps of terror. Let us never forget this because the things that happened there are things with respect to which our purpose must always be the prevention of any repetition of human suffering of that kind.

Remembering these things, we will have a firmer basis for the grounds of friendship that have emerged on this tenth anniversary of the day when Germany surrendered. Chancellor Adenauer said today that Germany had paid the price of the terrible leadership to which the people had submitted. He could say that because he was one man who paid a price himself for opposing personally the evil forces that Hitler had let loose. Chancellor Adenauer also said in his remarks today, and I thought these words were memorable, that from this dreadful punishment Germany had emerged cleansed and purified and that the German people were ready to go forward recognizing the price of leadership of the kind from which they had suffered.

It seems to me this is a day to remember the things that have happened but it is also a day for great hope. As we welcome Germany into the western fellowship, I think we should also pay our tribute to France which, with all the millions of graves to remind her of German aggression, has welcomed in terms of friendship an enemy of so short a time ago. France has more reason than any other nation in the world to be conscious of what German aggression means. This day can be one of the turning points of history. This can well become one of the most memorable dates that people will recall centuries from now if the spirit of that great German, Chancellor Adenauer, continues to guide the German people in the years ahead.

AUSTRIAN PEACE TREATY—EFFECT ON STATUS OF POLITICAL REFUGEES

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): In the absence of the Secretary of State for External Affairs, to whom notice was sent, may I address this question to the Prime Minister and perhaps he will take it as notice. With respect to the Austrian treaty now under consideration, has the minister or the government made any representations to the United States, Great Britain or France with regard to section 16 of the proposed treaty which may have drastic effects upon the status of political refugees now residing in Austria?

Right Hon. L. S. St. Laurent (Prime Minister): I shall bring the question to the attention of the officers of the Department of External Affairs, and have a reply prepared which I will communicate to the house.

NATIONAL REVENUE

ALLEGED RELEASE OF INFORMATION—REQUEST FOR STATEMENT BY MINISTER

On the orders of the day:

Mr. J. W. Noseworthy (York South): May I direct a question to the Minister of National Revenue? In view of the speculation raised by an editorial in today's *Globe and Mail* regarding the minister's previous knowledge of the Dempsey affair, will the minister clarify the situation by making a statement to the house? I have sent him a copy of this question.

Hon. J. J. McCann (Minister of National Revenue): The hon. gentleman sent me notice of his question a few minutes before I came into the house. I might say that I am not overly interested in the speculation from any source. I have certain duties and responsibilities as Minister of National Revenue, and those duties and responsibilities I have discharged for the past ten years without fear or favour.

Under section 133 of the Income Tax Act and section 55 of the succession duty act, I must observe the secrecy provisions of those acts and not disclose to anyone, not entitled to know, any matter concerning any estate in question. The estate in question involved both income tax and succession duties. The Ontario provincial treasurer, Premier Frost, is entitled to any information the Department of National Revenue has with reference to succession duties. Interchange of information is a common practice. I admit that I had a conference with Mr. Frost while he was in Ottawa. He had to leave hurriedly, so that the conference was incomplete. I am not in a position to disclose any information that passed between us at that time.

[*Later:*]

Mr. E. D. Fulton (Kamloops): I wonder if I might ask the Minister of National Revenue a supplementary question, arising out of his answer to the earlier question addressed to him. In view of the speculation which this whole matter has naturally aroused, I would like to ask whether he shares the views which were expressed in connection with another appointment elsewhere, which might be summarized by asking him whether he feels that what is good for the Guaranty Trust is good for the Dominion of Canada.

Mr. McCann: I am very much interested in the hon. member's interest in Ontario politics.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question of the Minister of National Revenue. Can he tell us where he finds in section 133 of the Income Tax Act permission to disclose information to Premier Frost which he is not able to disclose to this parliament, to which the minister is responsible.

Mr. McCann: I quoted section 133 with reference to the Income Tax Act and section 54 of the succession duty act; and it was under section 55 of the succession duty act that Premier Frost, as treasurer of Ontario, was entitled to any information we have.

NATIONAL DEFENCE

CANADIAN FORCES IN KOREA—CONTINUING COMMITMENT

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, some days ago in answer to a question by the hon. member for Kamloops (Mr. Fulton) I told the house I would make a statement shortly regarding the Canadian forces in Korea.

As the house is aware, the 2nd battalion, Queen's Own Rifles of Canada, which had completed its normal tour of duty with the commonwealth forces in Korea, embarked on April 6 and has now returned home.

Discussions concerning the reorganization of the commonwealth forces in Korea are continuing between the commonwealth governments concerned and the United States government which, at the request of the United Nations, provided the unified command for the United Nations forces in Korea. Pending the outcome of these discussions, the Canadian destroyer H.M.C.S. *Sioux*, and the 3rd Canadian field ambulance, Royal Canadian Army Medical Corps, supporting the commonwealth forces, will remain in Korea.

It is not intended to replace the Queen's Own Rifles in Korea; and the 1st battalion, Royal Highland Regiment of Canada, Black Watch, which would have relieved the Queen's Own, will continue its normal training at Aldershot, Nova Scotia.

[*Later:*]

Mr. G. R. Pearkes (Esquimalt-Saanich): May I ask a supplementary question of the Minister of National Defence, based upon the reply he gave to the hon. member for Kamloops. Are any headquarters of the Canadian forces being retained in Japan, or at other points in the Far East, in addition to the field ambulance and naval units to which he referred?

Mr. Campney: Administrative troops and supplementary details have been pretty well

run down, and while there are some officers remaining there will not be a full headquarters.

STORMS

REQUEST FOR REPORT ON CONDITION IN SASKATCHEWAN

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to ask a question of the Prime Minister. Can the Prime Minister give a report on the result of the recent storm and flood condition in Saskatchewan, and state whether the situation will be declared a national emergency?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the hon. member sent notice of his intention to ask this question. I am not in a position to make a factual report as to the results of the recent storm and flood condition in Saskatchewan.

As to the second part of the question, there is never any occasion for declaring a national emergency. What we have to decide on the information we receive is whether or not the disaster is of such magnitude as to require assistance from the federal government, to cope with its consequences.

In that connection I am still exchanging telegrams with the premier of Saskatchewan, and I am still expecting factual information about the situation, which information will be carefully considered and on which my colleagues and I will decide whether we would take the responsibility of recommending the application of federal funds to the restoration of the situation which has arisen.

Hon. George A. Drew (Leader of the Opposition): May I ask this supplementary question. In view of the reports we heard over the radio today about the flooding of the Qu'Appelle valley and the extent of the immediate damage, has consideration been given to the wisdom of assisting local communities out there by moving in members of the armed forces, particularly the engineering services, to assist in what is undoubtedly a very urgent problem?

Mr. St. Laurent: The premier of Saskatchewan has not suggested that there would be advantage in having engineers from the armed forces moved in. I am sure that he is looking very carefully after the interests of the people of Saskatchewan and that he will not fail to bring to our attention anything that he feels should be done on behalf of the Canadian people as a whole through the federal government.

[Mr. Campney.]

Mr. Drew: Mr. Speaker, without extending this discussion unnecessarily, I would point out that there may be occasions upon which even the provincial premiers, with their deep concern, might not be aware of all the facilities that are available to move the engineers in there by air transport.

Mr. St. Laurent: I am sure, Mr. Speaker, that the premier of Saskatchewan has made himself quite familiar with everything that has been done in recent years, when there were other disasters which occurred in other parts of Canada, and that he will not neglect any aspect of precedents that have been established to support his contention that this is a case where there should be federal assistance.

UNEMPLOYMENT INSURANCE ACT

AMENDMENTS TO INCREASE BENEFIT RATES, ADJUST CONTRIBUTIONS, ETC.

The house resumed, from Tuesday, April 26, consideration of the motion of Mr. Gregg for the second reading of Bill No. 328, respecting unemployment insurance.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, the other evening when the minister moved second reading of the bill, we had had it in our hands for some considerable time. We have now had the bill for something over a month. I suppose if we had it for a year we would still see in it something that had previously escaped our notice.

Since it is the duty of the official opposition to inquire into the provisions of any legislation presented to the house, there are a few things I would like to bring to the minister's attention. It is true that we shall have the opportunity to examine the measure clause by clause when it is placed before the standing committee on industrial relations. However, there are one or two points I should like to make at this time.

This bill proposes amendments which will have a serious effect on the administration of the act. Some of the provisions of the bill are rather wide in their scope. For one thing, up to the present time insured persons have been educated to the daily contribution basis of making contributions to the fund. They will now have to be re-educated to the weekly contribution basis. Members in the house will be interested to know just what plans the department has made for this change-over.

I recall very well that when the Unemployment Insurance Act first came into being there was an extensive educational program, involving regional conferences, where employers and employees were instructed as to the effects of the act, and representatives of commerce and industry had laid down to

them the manner in which they must proceed to insure their employees. I was at two or three of these conferences myself and I recall the time which was spent in instructing employers generally with respect to the provisions of the Unemployment Insurance Act. Now that the basis of contribution is changed rather radically, I wonder what provision the minister has made for re-educating people who have become so used to the old system of daily contributions.

As I said at the resolution stage and again the other evening, Mr. Speaker, the members of this group are opposed to the reduction in the maximum benefit period from 51 weeks to 30 weeks. If I recall the minister's remarks correctly, and if he claimed that only 3·5 per cent of payments were paid for the maximum period, a matter with which I would like to deal at a later stage, then I fail to see why it was necessary to reduce the maximum period, as is now suggested. I am not using particularly as an argument the fact that only 3·5 per cent were paid for the maximum period because, in my opinion, the matter must be viewed from the standpoint of the rights of the individual rather than from the impact which such action would have on the fund.

I might also draw attention to the fact that contribution rates have likewise been raised, notably in the case of those workers who are in the higher wage bracket and who have more continuity of employment and consequently are not so apt to benefit. I might say in this regard, Mr. Speaker, that persons over the age of 60 years, let us say, have received a relatively high proportion of the total benefit days paid. For instance, such persons received in the calendar year 1953 a total of 8,125,160 benefit days or 18·2 per cent, out of a total benefit days paid of 44,660,188. Therefore, Mr. Speaker, it would seem that elderly people—I would not have the temerity to call a person 60 years of age elderly, but those persons who have passed 60, let me say—are more likely to be eligible for the maximum duration of regular benefits. Retired persons would therefore constitute a group most likely, in my opinion, to be affected by the reduction in the maximum benefit period.

Much has been made of the new classifications in the act, under the new rates of contribution and benefits. I should like to draw attention to the fact that in the top bracket the employee and the employer alike are now supposed to pay 60 cents a week as against the old maximum of 54 cents a week, so that there is an additional contribution of 12 cents per employee per week. Added to that is the government's share of the contribution, which means that the fund will benefit to the extent of approximately 15 cents a week per employee for those persons who are in the highest contribution bracket. Despite those additional contributions, the claimant will actually receive considerably less than he would have received at the old rate. At the old rate he would have received 51 weeks' benefit of $24 a week, a total of $1,224. Under the new scheme he will receive 30 weeks' benefit, at $30 a week, or a total of $900. It is true, Mr. Speaker, that I am not dealing at the moment with supplementary benefits, or with what now would be called seasonal benefits.

In other classifications maximum benefits under the new act are in excess of $300 less than those obtainable under the old act. I hold in my hand some calculations which have been made, and I find that persons who are now in the $35 a week class of earnings actually will receive $441 less under the new act, or actually could receive as a maximum benefit $441 less under the new act than they could have received under the old act. At $30 a week they will receive $378 less, and even at $50 a week they will receive $414 less than they could have received as maximum benefit under the old act. Of course, those calculations are based on just what information is available to us. For instance, under the amendments which are being made to the act, the regulations under which those seasonal benefits will now be administered are still a mystery to us. As a matter of fact, until the commission has made the regulations which it is entitled to make under the provisions of these amendments, none of us will know precisely what the seasonal benefits will amount to, nor how they are to be administered.

With regard to the contributions which I referred to a moment ago which will be made to the fund, I have taken the figures which appear in the *Labour Gazette* for April, 1955, showing estimates of the insured population under the Unemployment Insurance Act. These figures appear on page 483 under table E-4. There I find that in December of 1954, the last month for which figures are available, there were 3,275,000 persons insured under the Unemployment Insurance Act. If we estimate that 50 per cent of these people are in the top contribution bracket—and I think that is, if anything, a little on the low side because the last figures which are available to us are for 1951, four years ago, when there were 47·39 per cent in the top insured bracket, and everyone knows how wages have increased since then—we find in the last report which is available for unemployment and payrolls, the average weekly wage for Canada as of February 1, 1955, was

$60.12, and the employees reported numbered nearly 2,500,000. As a matter of fact, with the exception of four provinces, all provinces reported their averages as considerably above the maximum mentioned in the provisions of the new act. If then we tend to be a little on the conservative side and take only 50 per cent of the insured population as a reasonable number, and calculate the amount of the additional contribution which will be paid by this 50 per cent from employer and employee and the government's contribution, we shall find that in one year, even if the number of insured persons does not increase, the additional contributions to the fund will be something of the nature of $13 million. As a matter of fact, just on those figures which I have quoted, I make it $12,772,500 additional contributions to the fund from that class of workers in the coming year. Far from being a drain on the fund, this class of worker, who over the years has been the backbone of the fund, who has contributed more to the fund than any other class, will continue to contribute a great deal more than any other individual class.

I would think it might be well for us to consider again this maximum period; rather than to cut the maximum period for benefits we should find jobs for these people. Employed persons are not a drain on the fund; quite the reverse, they are the people who build it up. Those people who tend to lose most from this deal which is proposed in the amendments are those persons who have given, and who will continue to give, the most to the fund.

I should like also to make some remarks with reference to permissible earnings. I hope that when we are in committee the minister will be able to tell us just what type of thinking prompted the limitation on a man earning from $6 or $8 a week to earning no more than an additional $2 a week while the man who receives $30 a week is to be allowed $13 a week in addition. Under the old act and regardless of the benefit classification a man was permitted to earn up to $2 a day which frequently amounted to some $14 a week and in the majority of cases amounted to about $12 a week.

It is almost impossible to determine the intent of some of the sections of this bill without knowing what regulations are likely to be put into effect. I have mentioned already the difficulty that we have had trying to discover just what the benefits are likely to be for those persons who qualify for seasonal benefits, particularly if they are in the class of persons to which I have referred, those who have been retired from business but who still apply for employment.

I notice instances where conditions governing rights are described merely as being subject to such regulations as may be prescribed by the commission. I suppose we shall not know for some time just what those regulations will be. How can we know whether the provisions of the act will meet the situation if such provisions are limited by phrases such as the one I have mentioned?

In my remarks at the resolution stage I referred to the necessity of evolving some plan to cover fishermen. I had rather hoped that when the amendments were available in bill form we would find that this matter had been taken care of. However, on going over the amendments very carefully I find that there has been no inclination to cover this class of worker. I strongly urge the minister and his officials to undertake such planning without delay because now that we are coming into the summer season we should be making plans to cover people who are likely to be affected when cold weather strikes us once more.

I must say that I am disappointed in the various sections which deal with the setting up of committees. Even in the description of the personnel of the commission there is no reference to the inclusion of women either on the commission or on the committees. I feel most strongly that there should be a woman commissioner. I have spoken on this matter before in this house, on the estimates and when we were considering amendments to the act, and I once again draw to the attention of the minister the fact that no provision has been made for the appointment of a woman commissioner.

I think this should be done even though it means the enlargement of the commission by one person. I believe also that the advisory committee and the national employment committee should likewise have women members. It would appear to be a simple thing to stipulate this in the redrafting of the act. I hope that when the matter is before the committee the minister will show an inclination to consider this point and make the necessary amendments to put it into effect.

Speaking of the commission and the rules which govern the appointment of commissioners, I must say that one is led to wonder why the government, which has expended such large sums of money and such a tremendous amount of eloquence in advocating that older workers should not be retired on the ground of chronological age while still physically and mentally fit to perform the duties of their office, should now reduce the eligible service age of commissioners from 70 years, as specified in the old act, to the 65 years now prescribed in the revision.

With regard to the composition of the boards of referees, again I submit that there should be women on these boards. When I make that comment I am thinking of the substantial percentage of appellants to the boards of referees who are women. I am sure that those members of the minister's department who are thoroughly experienced in this field will agree with me that a large percentage of appellants are women and consequently there should be women appointed to these boards of referees.

I cannot find either that the new bill makes any reference to veterans other than in one small instance. Undoubtedly there will be problems affecting those who are presently in European service and those who have returned from Korea. There is no section of the act as it now stands which permits special service to these men. I should like very much to know just how the commission proposes to handle their cases and whether they are to be given any special consideration, consideration which I think they deserve because of their long absence from this country.

In the explanatory notes which appear at the beginning of the act it is noted that one of the objectives was the rearrangement of the sections and parts of the act to bring them into context with other sections of related nature and to clarify the text. At first study it appears to me that the rearrangement consists in substantial measure in the elimination of those clauses which are difficult to administer, and again I cite the old sections Nos. 101 to 107 dealing with veterans. I realize that some of the provisions relating to veterans are no longer required in connection with those particular workers, but undoubtedly those sections were difficult to administer. Then there are the sections dealing with short-time claimants and others of a like nature.

In my estimation the general tenor of the revisions has been bureaucratic in the extreme. Apparently anything which irritates the administration must be dealt with. As I said the other evening, nothing has brought this attitude to my mind so emphatically as the minister's reference to what he termed interim arrangements. On looking up my previous remarks I find that I referred to this on April 26 as reported on page 3202 of *Hansard*. I should like to place my words once more on the record, and they are:

> The minister referred a few moments ago to an interim arrangement which would take care of those persons who have had their benefits drastically curtailed by the reduction which is contemplated, from 51 weeks to 30 weeks. He used a few words in describing these people which brought home to me, even more forcibly than an examination of the bill had done, just how far the thinking of the government and the commission has gone along the lines of a bureaucratic approach to the administration of this act.

I have already mentioned the elimination of the clauses dealing with veterans and with short-term claimants. In addition, right through the act there is the tendency to substitute the word "is" for the former words "may be". There is also a tightening up of the time element with reference to appeals. In many instances where 60 days, 90 days or 6 months were allowed, the new act stipulates that 30 days only will be allowed.

As I examined this act I was amazed at the number of instances where I found the words "is final and is not subject to appeal to or review by any court". In the old act, Mr. Speaker, I can find only one circumstance which prohibits appeal to the civil courts, but in the new act there are a number of them; there are at least half a dozen and probably more. I am not a lawyer, but as a layman I fail to understand how it can happen that a body corporate which can sue or be sued can inaugurate legislation which deprives citizens of their inalienable right of impartial hearing and judicial decision as to whether the citizen's views or those of the commission shall prevail. I find this to be a step in the wrong direction. Once more we slide towards the bureaucratic philosophy. In any other group such provisions would be met with the charge of calculated lawlessness. In this group, where the backing of the government is behind those who propose these changes, I must admit that I can hardly think of a term with which to describe the tendency.

I should like to draw attention to the problems which face administrators of this act. Probably the main point which immediately assails the eye, on perusing the statistical data which are available, is that the average period of unemployment has been lengthening each year. I refer to the recently published reference paper No. 58, entitled "The Labour Force", which covers the period of the last ten years and which just came to my desk the other day. From this report and from the reports which I have received since January from the bureau of statistics, I find these interesting facts.

In January of this year there were 23,000 persons who had been looking for work for between seven and twelve months. When I speak about the term of seven to twelve months, Mr. Speaker, I should like the members of this house to recall that these are the people who are going to be affected by this reduction from 51 weeks to 30 weeks. There were 23,000 of those people in January of this year as against less than 10,000 in January of 1954; in fact, in every January reported for the last ten years there were less

than 10,000. In February of this year we had 26,000 persons reported as seeking work for more than seven months. Last year in February we had 13,000. The year before we had less than 10,000, and that record goes back for several years. In March of this year we had 31,000 people seeking work for more than seven months. Last year in March we had 17,000. There were nearly twice as many this year. The year before that we had less than 10,000 and so on. The picture is pretty much the same. Going back to 1950, which now seems a long time ago, I see that there were 20,000 in that year also. However, in 1954 as the season progressed right up until the end of June, these figures with regard to persons seeking work for more than seven months gradually increased; and if the same pattern is followed this year we can expect that the figure for those persons seeking work for a period of seven to twelve months will have increased in 1955 as it did in 1954.

I do not know whether that is the reason that the government has decided to cut these off from benefits. I do not know whether they have decided that, since there are so many more who are seeking work for a longer period of time, they must refuse to them the benefits to which they are entitled under the Unemployment Insurance Act. I should not like to think that. I hope that, when we come to the consideration of these individual clauses, it will turn out that there has been some other thinking which prompted that action. But whether or not that was the reason, Mr. Speaker, that is the result. There are more and more people each year who are unemployed for longer and longer periods of time. I do not intend to put on the record any more statistics in this regard, but I refer hon. members to this copy of "The Labour Force", page 67, table 11, from which they can see that the same situation applies to all of the applicants. In the four to six months' period looking for work they will find that the numbers have substantially increased.

It is true, Mr. Speaker, that we have a special problem in the winter months. It is a problem which has been recognized by everyone who has examined unemployment insurance and the causes of unemployment. As winter is a formidable foe in warfare, I think it would be well if we considered that it is also a formidable foe in employment. Thinking along these lines, I recall the time when Sir Winston Churchill, the prime minister of the United Kingdom, was speaking of the alibi which Hitler had given to his people for the losses in the winter campaign. Sir Winston Churchill said, "He found out they have winter in Russia", a very elemental lesson, and one that Napoleon also learned. I suggest that it is about time this government found out that we have winter in Canada every year.

Every year the figures with regard to unemployment have increased over the last few years until this year on March 19—the date for which we received the highest figures on applications for employment—they had reached the staggering figure of 633,000. I do not wonder that those persons who are charged with the administration of the Unemployment Insurance Act should feel a little bit nervous about this situation. But after all, Mr. Speaker, unemployment insurance is, at best, only a palliative. Undoubtedly it has saved us this year from a major crisis but I urge the minister to get busy now to make plans for employment, not for unemployment. I urge that he do not sit back and wait for the report from the new royal commission on economic prospects. You will not have that report for at least two years, and that means two more winters that we must go through before we can even find out what the findings of that commission will be. Spring is the time, in my estimation, for the start of an investigation into and assessment of the situation with which we are faced. I noticed a Canadian Press dispatch from Ottawa in the Hamilton *Spectator* of last Saturday headed, "Jobless Figures Falling Faster, Officials Claim". The article reads in part as follows:

> However, present information indicates that the number of jobless still is numerically higher than at the same time last year.

Apparently it is a matter for some elation that the figures as to jobless are falling despite the fact that we still have more people unemployed than at the same time last year. The article continues:

> One of the reasons for this, the informant said, is that employment has not kept pace with a growth of 100,000 in the labour force.

If that is true, if that is the reason, then I would think it is all the more reason why the minister should be considering seriously what he is going to do about the winter of 1955-56. Now that the unemployment figures are falling, as this press release indicates, now when an inquiry into the causes of the circumstances surrounding unemployment could scarcely be termed traitorous, as was the allegation almost against those persons who did make some inquiries into it, now in the spring when everyone feels a little hopeful we might take an objective view of the whole employment picture not merely to determine the number of people who are without work but in order to make a careful study of the steps necessary to provide the maximum of employment for the workers of this country.

It is no use to procrastinate until a crisis is upon us. In this regard the government has acted very much like the lazy man with the leaky roof. When it was raining hard he could not get up on the roof to repair it and when it was not raining it did not leak, so he just let it go. I was very much interested to read in a recent issue of the *Fundy Fisherman* some remarks with which I should like to close these few comments. In doing so, I urge once more upon the minister careful consideration of the criticisms that have been made of these amendments, and in particular some action with regard to unemployment. The editorial commences by saying:

> Unemployment in any country is not only a useless luxury but a terrific waste which no nation can really afford.

After further pertinent remarks, the editorial concludes in this way:

> But, to accept unemployment in Canada as something of a chronic condition is both unwise and unnecessary; and unworthy of a strong and vigorous people that has a mighty task ahead in building up the nation to become one of the truly great nations of the world.

I hope that all the way through the consideration of the bill we can keep these views before us and that we will judge these amendments not only from the standpoint of expediency or the ease with which the act can be administered by the officials but also from the very human aspect of what it is that is needed in the country to give employment to our people and how best the government can serve the workers of Canada.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I have no intention of going into the ramifications of unemployment. When the minister spoke on the resolution preceding the bill he made a pretty comprehensive statement which enabled members taking part in the discussion to make a broad survey of unemployment and the necessary amendments to the Unemployment Insurance Act. Therefore I am not going to go into that again but am going to try to say a few things at this time that I did not say when I spoke previously.

I have listened to a lot of people talk about unemployment and unemployment insurance, but while they talk for 40 minutes and tell us everything we know about unemployment the only solution they have to offer is: What is the Minister of Labour (Mr. Gregg) going to do about it? That is a pretty broad question to ask the poor little Minister of Labour.

Mrs. Fairclough: It is his job, is it not?

Mr. Gillis: No, it is not. He does not create employment and he does not operate any plants or factories. You see, the solution to the question posed by the hon. member who spoke last lies outside of the house. After the criticisms I heard her make I was reasonably sure she was going to finish her speech by saying that for the past few winters, in fact, since 1945, the situation has been growing worse, and I might remind her here that there is nothing wrong now that a little war would not solve.

Mrs. Fairclough: You could say that but I could not.

Mr. Gillis: I know you could not. You would be thrown out of your party, but it is true. You know what Korea did for us when we were tailspinning.

Mrs. Fairclough: You and I are both too old to get into it anyway.

Mr. Gillis: I did my share in the one I could get into; make no mistake about that. I figured that the hon. member was going to finish her speech by saying that after a pretty thorough test of the efforts of those outside the House of Commons to run the country, the exploitation of our natural resources and to provide employment, we still have unemployment. We have given our free economy a fairly good chance since 1867 to demonstrate whether it could cure the problem of recurring unemployment, and it has not done so. The hon. member recognized that quite clearly in her criticisms. I thought she was going to finish her speech by saying that the one thing that would help a great deal would be if the employers of the country would sit down around the bargaining table with the employees and say that they accepted the principle of a guaranteed annual wage and would work it out by collective agreement.

That would be one good bit of advice to those who employ people in this country. The government has already done that. All civil servants have a guaranteed annual wage. They know that over 365 days of the year they are going to receive a pay cheque twice a month to pay the accumulation of bills brought about by the necessity of living.

Mrs. Fairclough: Will the hon. member permit a question? Would the hon. member say that the great number of people laid off by the government in the income tax department three or four years ago could say they had a guaranteed annual wage?

Mr. Winters: They were not civil servants.

Mrs. Fairclough: They certainly were.

Mr. Gillis: I said civil servants. I did not say temporary employees.

Mrs. Fairclough: Nine years temporary.

Mr. Macdonnell: Splitting hairs.

Mr. Gillis: What about the guarantee they had in 1930 when charwomen were thrown out on the street? Let us not get into that kind of argument.

Mrs. Fairclough: All right, but you brought it up.

Mr. Churchill: You are losing. That is why.

Mr. Gillis: No. I can take you back to some of your solutions for unemployment in the 1930's—slave camps with people being paid 20 cents a day. I am not vulnerable on this question at all. I have always done the kind of thing I am doing now. I have always tried to make sensible proposals with respect to the unemployed in order to enable them to get food, clothing and shelter. I never did consider it a subject for propaganda. It should not be used as such. That is the great difficulty. There are so many people who pay lip service to the problem but refuse to face up to it and find a solution by making changes. You cannot cure unemployment by carrying on as we have carried on since 1867, that is by getting the occasional war to relieve it and then returning to a condition of unemployment as soon as this supply and demand formula fails.

As I said in the beginning, I am not going into all the ramifications of this bill. The bill is going to a committee where it will be studied clause by clause. Before the committee studies the bill we are going to have the benefit of the opinion of the two labour congresses, who have been studying it for some considerable time. We shall also, I hope, have the benefit of the views of the manufacturers association, who will give us the other side of the story. Any specific criticisms I have to make concerning this bill I shall hold until I have the benefit of these discussions. Then, when the bill is before the committee, we will study it section by section.

I should like to say this for the benefit of the minister. Since we received the bill we have looked at it and have done some work on it ourselves as a committee of our caucus. We have talked to some people about the bill. Before the bill is finally passed, there is one change about which I feel the minister should think and that is the change from 51 weeks to 30 weeks of benefits. As the minister himself pointed out during the course of his presentation, actually only about 4 per cent of the recipients of unemployment insurance are affected. If there are only 3 per cent or 4 per cent affected, the cost is not very great and I do not see any reason for the change. If 3 per cent or 4 per cent of the recipients of unemployment insurance are going to lose out by this change from 51 weeks to 30 weeks, then I feel the minister should consider continuing the old section of the act.

The next point I should like the minister to consider is the change in the categories. Something has been done about it. A couple of additional categories have been created. About 43 per cent of those now covered by unemployment insurance will fit into the ceiling of $57, but I think there should be another category from $57 to at least $63. There are a great many employees, particularly in the building trades, who make up to $100 per week. Now, these people are seasonal employees and by making $57 the top bracket those who earn much more than that will suffer. I am thinking of those in the building trades, the automobile industry, and there are categories in other industries in which the wages are much higher than that. I feel the minister should consider establishing another category from $57 to around $63 or higher if he so desires. I think he should take a look at that particular problem.

I am disappointed also that regulation 5A, section 35, of the act, still remains there. This is the beartrap to which I referred when I spoke at the resolution stage, under which married women are penalized. Everyone with whom I have talked about that particular section, both in and out of the house, thinks it should be removed. It is an administrative headache, anyway. I know that in my own part of the country the board of referees would like to have it removed because the case of every married woman who makes application finally gets into their hands, and it is a headache.

The supplementary benefits also require looking over, I believe. Those who receive supplementary benefits under unemployment insurance year by year are the seasonal workers. In this country the seasonal workers make up about 25 per cent of the working force. The change that is being made now in that particular section will cause suffering to a lot of people. These are the ones who are obliged to go the full term under the act, then take supplementary benefits, and finally even those run out and they are totally unemployed. I believe we will have to take a good look at that. In my judgment the act should provide that any person who is unemployed should receive unemployment insurance until such time as he is gainfully employed; that has always been my conception of an unemployment insurance act. Unless it does that, it is not serving the purpose it was intended to serve.

There is another matter about which I should like the minister to think. I do not know whether he can do anything about it except consult with the Department of National Defence. The Canadian Legion made a proposal to the veterans affairs committee

when we were considering the Veterans Benefit Act a week or so ago. At the moment service personnel are covered if they are in the special force in Germany or Korea. Service personnel in the regular forces are covered up to July of this year. Any person who enlists in the regular army for a period of five years or seven years will not be covered for unemployment purposes after July of this year. The Legion recommended that the committee should consider the possibility of bringing all service personnel under unemployment insurance on a contributory basis.

We discussed this proposal at considerable length and reported to the defence department that consideration should be given to it. There are men who will enlist in the regular forces for three years, five years or seven years and after they are in for a couple of years they discover they just cannot go through with it and make the armed forces their vocation. There are many reasons for that. These people find themselves coming out of the service after three or four years, with no right to unemployment insurance. While I am not committed in my own mind one way or the other, I think this is a problem that is going to develop after July of this year. The veterans affairs committee referred the matter to the Department of National Defence, requesting them to conduct a poll of opinion in the services as to whether or not service personnel wanted unemployment insurance on a contributory basis. I believe the Minister of Labour should consult with the Minister of National Defence and get the officers of their department who have training in that field to take a look at the matter. The Legion was rather strongly in favour of insurance for the regular forces on a contributory basis after July of this year.

As I said when I began, Mr. Speaker, I have no intention of going over all the things I said at the resolution stage. I am going to conclude my remarks at this point, Mr. Speaker, and shall wait for the committee stage to discuss it clause by clause.

Mr. C. E. Johnston (Bow River): Mr. Speaker, like the hon. member for Cape Breton South (Mr. Gillis) I do not intend to detain the house for any lengthy discussion at this time. Like the hon. member, I believe that discussion can take place more properly in committee. It has been our experience in the past that committees have done good work, and I believe that is the best place to discuss any changes we think should be made to the bill.

However, as the discussion proceeded in the house this afternoon, I could not help thinking that perhaps the minister in charge of the bill has the wrong title, and that he should be known as the minister of unemployment. Certainly in no sense is he the Minister of Labour, and reference was made to that point only a few moments ago.

Some may say, "That has nothing to do with the bill", but in my judgment it has everything to do with it. It is a good and commendable thing that the Minister of Labour (Mr. Gregg)—and as that is his proper title I shall refer to him in that way—has the responsibility of making provision for people when they are out of work. But that is not the solution to the problem. In my view the only solution is to see that people are employed. The hon. member for Cape Breton South has said that this is a duty of some organization outside the House of Commons. I do not share that view; I think it is very much the duty of the political party in charge of this parliament, and of which this government forms a part. The inference was left of course that it was the function of industry to provide jobs. That of course is the socialist conception, and we hear them clamouring when there is unemployment to the degree we have it today. They say that industry is at fault.

Let me point out to them that the primary function of industry is to provide goods, and that it has done an excellent job. In fact, industry has done such a good job that it has produced more than we are consuming, with the result that they have actually worked themselves out of a job.

Reference has been made to the guaranteed annual wage. I shall not discuss that subject on this occasion but—

Mr. Knowles: Are you for it or against it?

Mr. Johnston (Bow River): You will find out, without any doubt, when the question is under debate. But let me say this to the hon. member for Winnipeg North Centre (Mr. Knowles)—

Mr. Knowles: You could answer very quickly; it is just yes or no.

Mr. Johnston (Bow River): Let me say this to him, that ever since 1935, if his memory goes back that far, and I am sure it does—

Mr. Knowles: It goes back to 1919, too.

Mr. Johnston (Bow River): —we were the first in the House of Commons who came out clearly and stated that the people should be guaranteed an annual purchasing power, so that they could buy the goods industry was producing. And we have had plenty of criticism for the stand we took. Let anyone stand up in the House of Commons and say

this is not so. We have been criticized by other parties in the house because of that very thing. Despite this we see the hon. member for Winnipeg North Centre standing in his place and saying, "Are you in favour of it, or are you not?" Since when did he come alive?

We have always maintained that the way to solve the unemployment problem is to put purchasing power into the hands of the people, so that they can buy the goods industry is producing. Once that is done, immediately industry will begin to produce more goods and create jobs, without any force being used. The demand will be there, and the jobs will be forthcoming.

The hon. member for Cape Breton South said, in effect: "Well, this unemployment problem is not so great that it could not be solved by a little war." Of course the hon. member was not suggesting that we should have a war; but the cold, hard fact is that in this country, under a Liberal or a Conservative government, we have never been able to solve our problem of unemployment until war came along and did it for us. There is no use hanging our heads and saying, "Well, that is not the way to talk. You are talking war, and that is a lot of silly nonsense". But when we look at the cold, hard fact we see that that is the only way our unemployment has ever been solved.

When I say to the minister that probably his department is wrongly named, there may be some merit in my suggestion. If the Minister of Labour had the job of creating conditions to defeat unemployment I believe he would show results, because he has shown great interest in the problem. I do not know of any minister who has held his portfolio who has shown greater sympathy and interest. I know the late Mr. Mitchell was highly respected in the house, but I do not think his enthusiasm or desire went beyond that of the minister now in office.

But he has an impossible task, because the government has failed to recognize this economic principle reflected in a lack of purchasing power. Then when unemployment comes along as a result of the government's policy the condition is thrown on the doorstep of the Minister of Labour, and he is told, "Get these guys jobs". It just cannot be done by any unemployment program.

I do not have to be a prophet when I say it cannot be done that way. There can be no doubt that unemployment insurance is a good thing, and I believe the minister is trying to do all he can to patch up an old and outmoded method of financing. I wish him the best of luck, but I think his efforts are not going to achieve the results he would like to see.

There are some things in the bill about which I am not too fussy. I am glad the act is going to have a general revision. Since its inception in 1941 this will be the first. To deal in greater detail, I do not care particularly for section 52 which carries the marginal notation, "Only one period between December 1st and April 15th". I believe if we are going to have unemployment insurance it should be made applicable to an individual whenever he is unemployed. If an insured happens to receive his benefits within that stated period of time, no matter how short the time may be, he is limited to that one period. If individuals are to pay their contributions into an insurance fund, then it should be truly an insurance fund, and whenever an occasion arises the individual should receive assistance.

As I indicated at the outset of my remarks, I do not think this is the proper time to discuss details of the bill. If I began discussing the clauses I would no doubt be called to order, and quite properly so. Speaking generally, I believe the minister is endeavouring to make an improvement in this instance. At the committee stage we shall take advantage of the opportunities presented to us to discuss the measure clause by clause. Therefore, with that in mind, I shall leave any further remarks I might have to the committee stage.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I assure the house my remarks will be brief, and I say to the minister that my expressions of disappointment will not be as numerous as those indicated by the hon. member for Hamilton West (Mrs. Fairclough). My observations will be limited to one clause in the bill.

In spite of views expressed this afternoon, I am convinced that the labour force in Canada will receive with great satisfaction this measure to amend and to consolidate the Unemployment Insurance Act.

The Minister of Labour (Mr. Gregg) must be congratulated on introducing this measure which will strengthen further the purposes of the act and make it more effective as an insurance policy protecting our working class. I am particularly interested in the application of this act to fishermen and on this point I wish to quote remarks made by the Minister of Labour when he spoke on the introduction of the resolution. I quote from page 2714 of *Hansard* of April 5:

> I have not given up hope that we may find a solution. I know it will not be a perfect solution but I hope we can find a good solution

somewhere, whether it comes within the field of unemployment insurance, under some special measure administered by the Department of Fisheries, or a combination of both.

I am rather disappointed, however, that no decision has been reached to date during the present session with regard to extending unemployment insurance to fishermen. I am prepared to admit that such a proposal poses some very difficult problems from an unemployment insurance standpoint, but situations offering similar or just as serious objections have been given consideration and dealt with to the satisfaction of the labour class concerned.

In April of 1951 the unemployment commission issued a report of a survey of the fishing industry and concluded its summarized recommendations with the following, as found on page 82, paragraph 279, of the report of the survey of the fishing industry in Canada by coverage division of the insurance branch. I wish to quote this paragraph from the report:

If it is necessary to augment the income derived by fishermen from fishing, subsistence farming and other employment, some form of unemployment assistance should be provided by the proper authorities rather than attempting to strain the framework of unemployment insurance to take care of a situation that is not properly an insurance function.

It is therefore recommended that the exception of employment in fishing be continued.

I have given a complete and serious study to this report, Mr. Speaker, and particularly to the section dealing with the gulf of St. Lawrence area. For this study this area covered the fishing industry of Prince Edward Island, New Brunswick, the Magdalen islands and the Gaspe peninsula. According to the said report, in the area covered, 19,800 fishermen are engaged in inshore fishing and 560 in deep-sea fishing. Of these 20,000 fishermen over half, or 11,000, are from New Brunswick. In dealing with inshore fishing the report states that approximately 83 per cent of the fishermen are working on shares, which is about correct. However, on page 25 of the report dealing with deep-sea fishing I find the following statement:

The home of deep-sea fishing in this area is in Gloucester county in New Brunswick. The deep-sea fishing force is about 560 fishermen. The survey covered 17 vessels or 17 per cent of the total vessels in this group. These vessels fish on the New Brunswick banks, or on the north shore banks. They are owned in the proportion of about 55 per cent by fishing firms or fish buyers and 45 per cent by one member of the crew, generally the master. The equipment is owned by the owner of the vessel.

I regret, Mr. Speaker, to have to admit that I cannot agree with this statement, which is not entirely according to facts. No fishing firm in Gloucester county, handling deep-sea fish, has any ownership or share in the existing fishing fleet. This deep-sea fleet, now consisting of over 60 draggers and a number of smaller vessels, is owned exclusively by individuals or by groups of fishermen who are the sole owners of their vessels.

It appears that of the total fishing force of 88,000 men in Canada, only 6,000 are wage earners; over 18,000 are loan workers and 63,000 are working on shares as working owners or as members of the crew. I realize that it may not be possible or logical to insure the owners of fishing vessels, but it seems to me that a solution could be arrived at by which wage earners and fishermen fishing on shares would be granted the privilege of unemployment insurance benefits. The share received by these fishermen, be it on a daily or on a weekly basis, is considered as the total amount of their salary or wages based on the total quantity and value of the fish landed. There is, in fact, very little difference and much similarity between the earnings of a person working in a factory being paid on piece work and the earnings of a fisherman deriving his salary from the proceeds of the fish catch landed.

I cannot agree with, and I must take exception to, the decision or recommendation of the unemployment commission report following its 1951 survey which I quoted earlier in my remarks. I cannot agree with the conclusion that some form of unemployment assistance should be provided by the proper authorities rather than attempting to strain the framework of unemployment insurance to take care of a situation that is not properly an insurance function. Whether it be the inshore fishermen spending two or three months of the year at lobster or herring fishing, whether it be the deep-sea fishermen engaged in New Brunswick at least from May to November and fishing on a share basis, these men are part of our labour force and are entitled to the benefits of this great insurance scheme instituted for the protection and welfare of our Canadian working class. Their employment is no more seasonal than that of the carpenter who has to lay off work during the winter season on account of the drastic cut in construction work, or the longshoreman who has to wait for the opening of the shipping season in the spring before resuming his work.

I realize that problems will arise with respect to the collection of contributions and the control and the administration of the act if it applies to fishermen. Some arbitrary rules may have to be enacted to determine when a fisherman becomes unemployed, but, Mr. Speaker, in most cases a fisherman is not

working for himself and a certain contract of service does exist between him and the vessel owners.

Paragraph 278 of the report of the survey previously mentioned states:

> It is hard to see how, under these circumstances, the extension of unemployment insurance to the fishing industry would be any advantage to most of the persons engaged in it, whether they were wage earners or share fishermen.

Here again, Mr. Speaker, I must take exception to and I cannot agree with the conclusion arrived at by the commission. We have in this country a certain group or proportion of our labour class which is known as or could be called a diversified labour group. The majority of our fishermen could easily be classified as part of this group. Let us take as an example the helper of a herring and lobster fisherman along the Northumberland strait area. From four to five weeks in the spring he is engaged in herring fishing and for two months, August and September, he is back again to help a boat owner with his lobster operations. In October he is out to the lumber camps to help in the annual cut of pulpwood, pit props or long lumber. Early in January this man is back home again after the closing of the camps which have completed their quota for the year. During this short period of employment this man has not paid enough unemployment insurance daily contributions to claim benefits for his period of unemployment from January to April. If this same man had been allowed to contribute under this act during this period of fishing in the spring and late summer, he could now qualify for benefits, and his family would not suffer the hardships and privations faced by a large number of similar cases along our entire fishing districts. Similar situations exist all along the shore of my constituency of Gloucester and in many other sections of the maritimes. I understand, Mr. Speaker, that the present act still offers the possibility for the unemployment insurance commission to reconsider its decision and include a certain number of our fishermen under insurance benefits.

The immense fishing resources of Canada have contributed substantially to the general economy of our country and its considerable expansion is still of paramount importance to the coastal provinces where commercial fishing is pursued on a large scale. Canada after all leads the world in the export of its fishing products. Are we going to allow this industry to be curtailed in its expansion by penalizing the primary producers, those hard-working fishermen to whom a 44 to 48 hour week is a thing unknown? Are we going to endanger this expanding industry by refusing to these fishermen the security offered in other working fields?

In conclusion I urge that during this present session the Minister of Labour insist upon the unemployment insurance commission reconsidering its decision and giving further consideration to the adoption of a system which would qualify at least a certain class or type of fishermen under the unemployment insurance benefits.

Mr. J. W. Noseworthy (York South): Mr. Speaker, this is the first time since its introduction in 1941 that there has been a general revision of the Unemployment Insurance Act. In so far as this bill proposes to rearrange the sections and parts of the act to bring together all provisions which deal with the same subjects and to clarify the act, it is good, commendable and sound and I am sure will have the support of every hon. member of the house.

My criticism of this bill is that it represents one further bit of evidence that the government has receded from the position it took in 1945 regarding the whole question of unemployment and unemployment insurance. At that time, ten years ago, when the government was considering the whole question of unemployment insurance, it was tied in with provisions for employment. At that time the government assumed responsibility or indicated that it would assume responsibility for maintaining full employment. Where there was unemployment not covered by unemployment insurance the government was to make provision through an unemployment assistance act.

The government has receded from the position of providing a shelf of public works with which to take up the slack which develops from time to time under the private enterprise system, and apparently has now reached the conclusion that such an undertaking is not a function of the government but is one that must be left to industry and commerce.

The government appears to have receded from its position regarding unemployment assistance as distinguished from unemployment insurance. The unemployment assistance fund was to take care of those who did not qualify for unemployment insurance. Ten years have passed by and no effort has been made by the federal government to reach any kind of agreement with the provinces for the setting up of such unemployment assistance fund. The government has persisted in its position that this is the responsibility of the provinces, that the first approach should be made by the provinces,

and that only when the provinces came to Ottawa for help would they come to their assistance in this matter.

This bill indicates a further retreat on the part of the government from its 1945 position in the matter of unemployment insurance. Unemployment insurance is now the only measure upon which the government has come to rely for the alleviation of want created by unemployment, and it is receding even on that front. According to the green book of 1945 one of the objectives of the unemployment insurance fund, or one of the objectives of those who in that day were responsible for it, an objective which was repeated again and again in that 1945 green book, was that as rapidly as possible the Unemployment Insurance Act would be widened to embrace all employed persons. One of the measures which the government was to adopt in order to provide for unemployed employable persons was, and I quote:

> The extension as rapidly as possible of unemployment insurance to cover all employees.

And again:

> As already stated the objective would be to bring into insurance in a relatively short time the whole employed population; when this had been accomplished the only employees who might require assistance, in contrast to insurance, would be those who had exhausted their insurance benefits or failed to qualify.

This is interesting in the light of what we are getting today.

> By that time experience with the extended insurance scheme would enable a decision to be made whether to extend the duration of benefits and shorten the period of qualifications for insurance.

What do we get in this bill? First of all there is no attempt in this bill to broaden the field covered by unemployment insurance, there is no attempt to bring under unemployment insurance all employed persons. In 1945 the scope of the unemployment insurance scheme did not extend to those previously employed persons whose employment was not insured, that is farm employees, domestic servants, certain government employees and office employees, insured persons who did not qualify for or had exhausted their benefits, young persons who had not been able to start employment and previously self-employed farmers, tradesmen, trappers, etc. In 1945 all those were to be brought within the protection of the Unemployment Insurance Act within the shortest possible time. None of these classes is being brought under the Unemployment Insurance Act by this bill.

Instead of extending the duration of benefits and shortening the period of qualification, the bill in fact shortens the duration of benefits and does nothing to shorten the period of qualification for insurance. So that by and large the groups who were left without unemployment insurance in 1945 will still be left uncovered by unemployment insurance.

It will still be just as difficult in 1955 as it was in 1945 for the young person graduating from high school or college to build up any protection under unemployment insurance. My criticism of the bill is that in it no effort whatever is made to meet the need of that increasing group.

I think the insurance statistics will show that the labour force under the age of 24 is about twice as great, proportionately, as is the labour force over the age of 24, largely because of the number of young people who are coming into the employment field each year. Under the new act, as under the old one, these people will still find it extremely difficult to build up any protection. So long as the government is going to rely on the Unemployment Insurance Act only to alleviate the distress caused by unemployment, I suggest that some steps should be taken to bring in other groups who now become unemployed and have no protection, especially the group of younger people who are coming into employment for the first time.

We are inclined to think of unemployment in terms of the over-all number of people unemployed, be it 400,000 or 600,000. We think of unemployment in terms of statistics. Whether it is 4 per cent, 5 per cent, 6 per cent or whether it is only 1 per cent of our working population who are unemployed, we forget that this situation represents individual human suffering. I am going to put on the record a few case histories that have been brought to my attention by the Toronto branch of the Canadian Association of Social Workers. These are bona fide cases that exist today in the city of Toronto, at a time when we are spending hundreds of millions of dollars to build up our defences against communism. At the same time we are letting good Canadian citizens and good Canadian families actually suffer hunger in this country in this year 1955. I think every hon. member in this house will agree with me that nothing we can do will facilitate the growth and spread of communism in our own country so much as will the want, privation and discouragement which is brought on through unemployment.

Here are a few cases. Here is one of a father, a veteran. Because he was unemployed, the veterans affairs department could do nothing for him. He was a skilled mechanic, self-employed for many years, the

father of seven children. For all the years that he was self-employed he was able to provide a satisfactory income for himself, his wife and seven children. First, there came a large expense for psychiatric treatment for one of the adolescent children, a heavy medical expense. Then followed a prolonged period of unemployment.

Then followed the family's ejection from a rented property. To find shelter for a family of seven children it was necessary to purchase a home. To purchase a home it was necessary to place a chattel mortgage on their furniture and to undertake to carry a first mortgage and a second mortgage on the property as well. Naturally it was not long before there was a foreclosure and another eviction. Today the father lives with one relative, the wife and baby live with another relative, and friends have taken in the other children in order that a home may be found for them.

Here is case No. 2, also provided by the Toronto branch of the same association. In the family are the father, mother and four children. The father was laid off work last fall; no unemployment insurance was available because of lack of sufficient days. The welfare department of the city of Toronto helped the family out for a week or two. The Salvation Army provided some relief. Neighbours did what they could. The family were eventually driven to such straits that the father applied to the children's aid society and asked the children's aid to place his children in homes because they were going hungry and he could not provide for them. The children's aid society assured him that, as a respectable citizen, it was his duty to provide for the children and that they could not, under the circumstances, place them in homes. Eventually the landlord, whose rent had been getting in arrears, served eviction notice. The day the notice was received, the father walked out and has not been heard from since.

As to case No. 3, this man had been unemployed for six months. At first he was optimistic; he would get a job even though others could not. When this effort failed, he decided he would go into business for himself, selling silverware from door to door. By Christmastime he had to give it up; it was no go. The family was desperate. He became irritable and quarrelsome, his face thin and white. Finally his wife got work. He stayed home to cook. He took the children to the nursery as their mother used to do. As the weeks went by he became more ill-tempered. He began to slap his children for little provocation. He has developed a bad cough and looks sicker and sicker as the days roll by. When this man was gainfully employed, the social worker says, he was a happy, useful citizen. Today he is despondent, sick and dependent on his wife.

I have 15 or 20 such case histories. I do not need to read any more, other than to raise the questions which these social workers raise. They are questions that I think we, as legislators, should seek to answer. These are the questions raised by these social workers. What does a father of a family do, who is unemployed, not eligible for unemployment insurance, who day after day has gone out to look for work and day after day has had to come back at night without a nickel with which to buy food? How does he act with the most responsibility for his wife and children; by continuing to come home and thus ensure their continued hunger and possible eviction, or by desertion after which they will be taken care of by our municipal welfare departments? What health problems are we creating for the future? What does serious malnutrition over weeks and sometimes months do to adults and children? What about families whose only food for a week has been the stale loaves given to them by a sympathetic bread salesman who cannot bear to see them starve, and the mother giving a young baby sugar and water three days at a time, right in the city of Toronto? What is the use of all our research into the importance of nutrition, particularly during pregnancy, to mothers who cannot even be assured of a minimum diet?

Those are a few of the questions being raised by these social workers. Here is a government that has receded from the position of responsibility for providing employment when private industry fails, that has receded from the position of providing unemployment assistance apart from unemployment insurance, and that, finally, apparently makes no effort to bring under unemployment insurance those large groups who still remain outside, particularly the tens of thousands of young people who are seeking employment for the first time.

I suggest that the government should reconsider its whole stand and revert to the position it took in 1945. Those proposals were sound. Those proposals had the backing of every party in the house. Those proposals had the backing of the government's own research workers and economists. Those proposals are as sound today as they were in 1945. The fact that the government has not been able, in the course of ten years, to reach the agreements it desired with the provinces is no good reason why the government should shirk its responsibility regarding employment and the needs of those who are unemployed.

There is one thing the government can do to relieve a great deal of the distress existing at the present time and which will exist throughout the coming summer. It can extend the supplementary unemployment insurance benefits to the end of May at least, and make them retroactive to the date on which they were cancelled. That in itself will relieve some of those people who are now unemployed, cannot get employment and have no unemployment insurance benefits. I suggest that extension of the unemployment insurance benefits is the very least that a government having any concern for the problem of unemployment or the needs of the people who are unemployed should do at this time.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I want to raise one point I have raised before but which, it seems to me, is worth repeating. I think one of the greatest weaknesses in the unemployment insurance set-up as it exists in Canada today lies in the fact that pregnant women are excluded from its benefits. I know that the most vexatious cases with which I have to deal are those arising out of the clause excluding pregnant women.

It seems to me that when the act was framed in the beginning there was some justification for this provision, but now that we have had 12 to 15 years' experience of the legislation in operation we have learned enough to establish that to include pregnant women in the benefits of unemployment insurance would not cause any undue drain on the finances of the country and would remove what I think is a great human grievance.

I do not want to get into the argument arising out of the statement made by the Minister of Citizenship and Immigration (Mr. Pickersgill), but I want to place it clearly on the record that I believe the most desirable way to increase the population of Canada is to increase it in the way the Almighty himself intended it to be increased when he said, "Be fruitful and multiply and replenish the earth."

Therefore when we come to the Unemployment Insurance Act I do not think it is a very good principle to be too technical about ruling out a woman who happens to be pregnant. Over the past few months I have had several women writing to me saying that after paying into the unemployment insurance fund for many years they became pregnant and were much astonished to find that they were excluded from the benefits. There is another point I want to raise, because I am not a member of the industrial relations committee. I certainly hope that the matter I have mentioned will be brought before that committee. I hope the whole question will be examined and evidence given by those able to do so as to what it would cost the country to make this necessary change.

If a thorough investigation of the operation of the Unemployment Insurance Act were really made—I am not talking now about the committee—I think we would find there are a great many abuses in the way benefits are drawn by certain people, and even certain abuses involved in the way that industry looks upon unemployment insurance. I am not at all sure that some industries do not look upon unemployment insurance as simply a means whereby they can keep on hand a certain number of reserve workers, to be laid off when they feel like laying them off. They know they will not disperse too quickly because of the unemployment insurance benefits; therefore they can bring them back when they feel like it.

I for one would not want to be too specific about abuses, but I am informed by people who should know that in a great many cases women who become pregnant manage to make themselves made eligible for unemployment insurance benefits by knowing what to do at the right time and by having the whole situation fixed up in the right way. In other words the woman who is absolutely honest, who has her baby in the right way, who walks up to the unemployment insurance office and says, "I am pregnant", is the one who is told that she is not entitled to any benefits, so she really gets it both coming and going. She has to undergo the expense of having the child; yet in spite of the fact that she needs money she is not entitled to any benefits whatsoever.

I for one believe this great country is rich enough and has had enough experience with unemployment insurance to remove what I consider to be an unnecessary, vexatious and most unjust discrimination against women who should be the deepest and most cherished concern of all the people of Canada, the working women of Canada who are adding to our population in the way the Almighty intended them to do.

Mr. R. H. Small (Danforth): Mr. Speaker, to begin with I should like to refer to the remarks of the last speaker. I suggest that probably he and the Minister of Citizenship and Immigration should get together and bring their influence to bear upon the government, because there seems to be some question as to how the increase in the population of the land should be brought about. Possibly their combined influence would be of some help in solving this very vexatious problem.

In so far as criticism is concerned, I think perhaps I can go along with the hon. member for Bow River (Mr. Johnston) and the hon. member for Cape Breton South (Mr. Gillis) when they say that the Minister of Labour is doing a remarkable job and should not have this government's errors of omission and commission chalked up against him. They said he was not to blame, that his department is concerned with unemployment and finding work for the unemployed, that is providing some form of subsistence within the framework of the Unemployment Insurance Act for those who are out of work.

Well, if he is not to blame, we must look elsewhere. This government have taken credit for everything that has happened in this country for the last 25 years; therefore we have to place on their doorstep the blame for the unemployment condition that exists in the country today. Whether or not we can tie the responsibility down to any particular minister is questionable, but I suppose in the aggregate they have to take responsibility for what the government does.

I should like to follow up the criticism offered by the hon. member for Hamilton West (Mrs. Fairclough) concerning the unemployment insurance bill that has been submitted to this house. It is contended this bill improves the act, but there is one weakness in that argument or at least it is not on very solid ground. The minister has said that there is going to be a change in the amount of benefit the unemployed can receive. For instance, in explanation of the move he said that those receiving benefits for from one to 19 weeks made up 90·1 per cent of the total. Those receiving benefits from 20 to 29 weeks comprise 6·4 per cent, and those receiving benefits for over 30 weeks comprise 3·5 per cent. The reason he gave for reducing the benefit period from 51 weeks to 30 weeks was that the average claim was for 9 weeks.

However, the supplementary benefits are to continue when the unemployed have exhausted the regular benefits they have built up. In other words, the total period during which benefits can be received will now be 45 weeks. The hon. member for Vancouver South (Mr. Philpott) mentioned certain abuses in connection with the operation of the fund. I believe this is an outstanding example of a place where abuses do not exist, according to the minister's own submission. It is quite apparent to everyone in the house that there has not been any abuse, and that the inherent honesty of these people is so great that they have not attempted to exhaust their benefits. They went back to work as soon as possible. This speaks very well for the people covered by the fund, and I feel that people who show such outstanding honesty should not be subjected to any abridgment of their rights. The benefit provision should remain as it is because, as we all know, during the last two or three winters the period of unemployment has been gradually extended and the numbers of unemployed have been increasing. There is not much argument, therefore, for reducing the number of weeks for which benefits can be received.

If the government do pass this provision, they are working an injustice on the people by reducing the period of benefit from 51 to 30 weeks. The supplementary benefit period is 15 weeks, and when it is all added up it makes 45 weeks. Under the old scheme the unemployed received benefits for 51 weeks plus 15 weeks, but now that is to be reduced. Before reducing this period the government increased the amount that could be received both during the 51-week period and also during the supplementary benefit period.

This is a kind of double shuffle game. It is the old shell game; first you see it and then you don't. If the benefit period were left as it was and the payments increased, that would be worth while. The minister should be highly commended for the increase in the payment, but I think the government should be severely criticized for this double shuffle hocus-pocus that has been delivered to the unemployed.

Then there is the provision concerning those who retire at 65. These people have been paying into the fund but have never received benefits and were never expected to receive any benefits. They are compelled, under force of circumstances, to retire. It is quite true that they are given a three-year reprieve; nevertheless they are deprived of something to which they are justly entitled. I think the minister would be well advised to reconsider that provision and bring it more into conformity with the principles of justice.

There is one other point that was mentioned by the hon. member for Hamilton West concerning clause 3, paragraph 4. It reads as follows:

> A commissioner may be removed by the governor in council at any time for cause, and a commissioner ceases to hold office upon attaining the age of 65 years.

I should like to put added emphasis upon that clause, for the simple reason that I have received suggestions on many occasions from labour department brochures that some means should be found of amplifying the opportunities for employment of those people who are unfortunate enough to have reached 65 and are going to lose their position. The suggestion has been that something should be done to broaden the field of employment for

these people. Here we find the government setting an example for everyone else to follow. I believe the members of this house have had the fact brought home to them rather forcibly upon learning that some of the stenographers who have served long and well are going to be retired at 65, whether or not they are giving good service. I think probably the government should search their souls on this question. I do not want to dwell on this point, but if the government are going to emphasize it in the general labour fields they should support it.

The hon. member for Cape Breton South said the civil servants were supposed to have a guaranteed annual wage or a guaranteed job, yet we find they have not. Some of them have been let out. Some of those who have been let out were probably within two or three months of ten years' service, but they were put on the skids. They are being gradually let out, so the civil service does the very same thing of which business is accused, in that it lays off its employees. We see that most of these glaring examples have taken place in civil service groups, whether they are employed by provincial or federal governments. If it appears that the time is near when they will be classified as permanent employees, then on some pretext or other an excuse is found for letting them out before they qualify as permanent employees. And I have no doubt this government has resorted to that sort of practice. I suggest further consideration should have been given before this measure was brought in, with a view to giving work to older people.

Before passing on to another point, I would direct my remarks to the statement by the hon. member for Bow River (Mr. Johnston) that he would like anyone to point out any time in this country's history when an unemployment situation had been solved. He proceeded to say that his question could not be answered. Let me tell him that it can be answered.

Mr. Johnston (Bow River): I did not say that at all.

Mr. Small: What did you say, then?

Mr. Johnston (Bow River): I said if anyone could tell me when, under the orthodox system, either a Liberal or a Conservative government had solved unemployment except in a time of war, I would like to know when it was.

Mr. Small: Then I shall tell you.

Mr. Johnston (Bow River): I am listening.

Mr. Small: After confederation it was the Macdonald regime that introduced the national policy which solved the unemployment question.

Mr. Johnston (Bow River): What did the Conservatives do in the thirties?

Mr. Small: You said it could not be answered. I will say it was also answered in the twenties, whether by a Conservative or a Liberal government. They solved the problem of unemployment in those days. And if Mr. Bennett had been given a chance to become established; if he had not been blackguarded and held up to ridicule and contumely from coast to coast by those who then formed the official opposition, he would have solved the unemployment problem, too. If he had been permitted to continue he would have done it. But he was accused of erecting armouries throughout the land to consolidate himself into a dictator. That is the kind of bunk that was handed out in those days.

When the hon. member says the unemployment problem was not solved in the past without recourse to war, then I say to him that I have given him the answer.

Mr. Johnston (Bow River): Does not the hon. member recall that it was his own party that kicked Mr. Bennett out? Does he not recognize a good leader when he has one?

Mr. Small: I was answering the hon. member's question. I think that will silence him, for a change.

Mr. Johnston (Bow River): That kind of argument will not silence anyone.

Mr. Small: I do not intend to go into the question of unemployment, which has been discussed by the hon. member for York South (Mr. Noseworthy). However, I can go along with the case histories he mentioned, because I attended the meeting to which he referred, in which members from the Toronto district were invited to participate with Toronto social and welfare workers to help solve unemployment.

This is a contributory insurance scheme. What is going to happen when the reduction is made from 51 weeks to 30 weeks, with an additional 15 weeks of supplementary pay or whatever the governor in council wishes to add under the new regulation? I say this provision is going to drive more people into the position where they will have to seek help from welfare agencies.

When the act was inaugurated we understood one of its purposes was to remove the necessity of appealing to the welfare agencies. Instead of removing that necessity, this

measure aggravates the condition over a period of years. I suggest the period should be restored to 51 weeks, where it rightfully belongs. Instead of improving the situation we see today, I say it will be made worse under these amendments.

I sympathize with the larger cities, where the unemployment situation predominates, in their efforts to meet the problem. I do not intend to discuss the subjects set out in the green book of 1945, any more than to say that the government has gotten out from under its undertakings and promises of that time. If the government had carried out what it suggested in 1945 I doubt whether we would have this unemployment situation today, affecting those who are classified as the employable unemployed.

My chief criticism today is that an injustice is being done those people who have been paying into the fund for a long time. An injustice is being done those people who have been honest in their applications for assistance under the act. Not only that, but an injustice is being done in that these people, when their benefits expire, are being forced onto the relief rolls in the cities.

The federal government has made promises and recently abandoned them, and now the municipal and provincial governments find they have to assume this burden, one very much like that of the hungry thirties.

Some hon. members have referred to the guaranteed annual wage. I would go along with the hon. member who levelled criticism against the automobile industry. In my view the worst offenders who have been responsible for this condition of unemployment, or who have aggravated it in the past, have been those connected with the automobile industry. While they paid high wages and gave employment for certain limited periods of the year, their employees were laid off and thrown on the relief rolls for the balance of the year in the hungry thirties. We find in the past actions of the automobile industry a glaring example of what automation will mean for the future.

Mr. Auguste Maltais (Charlevoix): Since the Unemployment Insurance Act became effective in 1941 many modifications have been brought about. One of these, made in 1950, applied to the logging and lumbering industry. Today I shall direct my remarks to that industry, as it exists in the constituency I have the honour to represent.

I hope my words will not be construed as a criticism of the department, because I take this opportunity to thank the minister and the government for the great care they took at the time of the amendment in 1950, following representations not only from my district but from other parts of Canada. I would hope that what I say today would receive consideration when the bill is referred to the committee on industrial relations.

Under article 26 of the regulations the lumbering and logging industry of the province of Quebec is considered a seasonal industry. That is, it is an industry purporting to run from September 30 to April 1. This may have been true five or six years ago, at which time lumbering and logging in Quebec took place for the most part in the winter months. In the last two or three years conditions have changed to a very great extent. The result is that today lumbering and logging operations in the province of Quebec extend into the month of June. I know that right today in the constituency of Charlevoix lumbering is taking place on a scale just as great as in the months of December and January. This change has been brought about through the use of mechanical devices in the lumbering industry. A person who is now employed in lumbering sees his benefit curtailed as soon as the seasonal period ends, owing to this seasonal restriction; or if it is not curtailed he is required to possess more qualifications than the ordinary employee.

One has to understand how the lumbering business is carried on to appreciate the discrimination which exists against that group of employees under the law. In the province of Quebec a person goes into the woods lumbering early in September and carries on all winter long. In a few instances he leaves the job around the end of April, to come back again around May 15 to get the wood out. That is known as the hauling business in the industry. When that is finished around June 15 many of these employees, who are sons of farmers, find that they are out of jobs and they often go back to the farms to carry on during the summer months the same type of work they had been doing during the winter, with the exception that the farms usually belong to their fathers, or the farms are family units.

Under the law, people who work on farms cannot qualify for unemployment insurance. Therefore these people again suffer discrimination when they become unemployed the following year, because the period during which they were employed on the farm cannot be counted as a period that would entitle them to stamps. When the bill goes before the committee I hope consideration will be given to either extending the seasonal period for lumbering in Quebec or to treating lumbering and logging in the same

way they are treated in British Columbia, in the light of the change that has taken place in that particular industry in the last two or three years.

The law as it now stands discourages people in the logging industry from accepting employment with farmers who are also cutting wood for the pulp and paper industry. The farmer himself is experiencing some trouble because he finds it very hard to get people to work on his farm cutting wood. One can understand why people do not like to work for farmers. It is because they cannot take advantage of the Unemployment Insurance Act as it now exists. From the employer's point of view it is rather embarrassing, because he finds it very hard to get employees. The employee is reluctant to accept a job on a farm, and he would rather try, even if he loses time, to get a job in a place where he can get some unemployment insurance benefits after the work is done.

I also believe that from an administrative point of view it is a most complicated matter. I have examples, which have been submitted to me, of persons who have been employed in the lumbering industry from the month of October to the month of May. Then they went on a farm to carry on the same type of work. During the summer one of those persons applied for benefits from the unemployment insurance fund. Before he could get anywhere he received four letters, three in the same day, explaining why he could not qualify. The other letter explained why he did not have enough stamps. It was a request for a prolongation of time. I presume that meant that to establish his period of benefit he would have to go back two years and try to find some more stamps. The third letter explained that unless this time was obtained by him he could not benefit under the Unemployment Insurance Act, because he had worked on a farm.

This qualification which is imposed on a person working either in the lumbering industry or on a farm is, I should say, very hard to understand, because in the province of Quebec, and especially in my riding, it very often happens that the man who goes on a farm cannot qualify although the farmer sometimes has only chickens and perhaps a couple of cows to look after. I do not think that should be called a farm, because this man has a small farm and derives most of his revenue from outside his farm.

It might be appropriate if in some parts of this country the word "farmer" were defined. If it is very hard to define the word "farmer", then part of this country should be divided into zones and the people in those zones should be called farmers or employees working in the lumbering and logging industries. That would avoid a lot of trouble in the administration of this act.

I do not make these comments to criticize the government. In the light of the changes which have been made in the lumbering industry everywhere in Canada, where mechanical devices have been introduced, such as huge tractors to clear away the snow and equipment to improve the roads so operations can be carried on from October 1 to May 31 or sometimes into June, I would urge the unemployment insurance commission to revise its regulations and make the employment unseasonal. If it has to be seasonal it should be from early September to the end of June.

If that were done, many employees whose main living is made in the bush will be able, when they are unemployed, to take full advantage of the law. They will not be placed in the position that some other qualification will be required of them to obtain benefits under the law. I make this plea because of the many representations I have received from farmers and people employed in the logging industry in my riding.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it must be obvious to the Minister of Labour from the speeches that are being made today that there are quite a few improvements that still have to be made in the Unemployment Insurance Act. Surely it is significant that suggestions as to shortcomings in the act are being made not only by members in opposition groups but also by those members of the Liberal party who thus far have participated in the debate today.

It seems to us, now we have had a chance to study the actual bill since the debate on April 4, at which time we had the resolution and first reading of the bill, that the main improvements in the bill are in the nature of administrative changes. Most of these changes are to the good. As has been pointed out, there are some which although administratively are an improvement are not too beneficial to the workers. However, our complaint is that although there have been many administrative changes there has not been enough change in the act in terms of policy and in terms of real substance.

As I pointed out when I spoke during the resolution stage on April 4, we feel that the action the government took in 1940, in asking parliament to concur in a resolution seeking an amendment to the British North America Act to write unemployment insurance into section 91 of that act, had the effect of obligating the government, morally if not

legally, to federal concern over unemployment and federal responsibility for all unemployed. Government spokesmen may make different comments on the subject now, but we feel that the acceptance of that moral obligation arising from what was done in 1940 was confirmed by the green book proposals of 1945, when the federal government talked in terms of full federal responsibility for the employable unemployed.

Even we in the opposition could not complain too strenuously when the first Unemployment Insurance Act failed to go all the way in that direction, but surely when the time has come for an overhaul of the Unemployment Insurance Act the government should be making further progress in the direction of the moral obligation that was undertaken in 1940. In our view the government should now meet the commitment that we feel was made in this field by the government in 1945. However, we look in vain in this legislation for any broadening of the acceptance by the government of federal responsibility for all unemployed Canadians.

On the other hand, at the second reading stage on April 26, which was the same day the Prime Minister (Mr. St. Laurent) made his speech to the federal-provincial conference in the railway committee room, we had the statement of the Minister of Labour that in certain circumstances he regarded what was proposed by the Prime Minister as more appropriate than unemployment insurance. I must be fair to him and say that he was speaking particularly of people along in years who at present are able to qualify under certain circumstances for 51 weeks of unemployment insurance benefits but who under the terms of this new bill will qualify for only 30 weeks of benefits unless they are able to qualify for supplementary benefits for a few weeks.

It does seem to us a shameful admission on the part of the government for the Minister of Labour to say that what was proposed by the Prime Minister, namely a form of relief—that is what it is, even though it is to be shared among three levels of government—was more appropriate in some cases than unemployment insurance benefits, which as we know have been built up in this country as something the workers have as a matter of right.

We feel that this is a retreat in principle; we feel that this is a retreat from the green book proposals of 1945; we feel that it is a retreat from the moral obligation which the federal government accepted when in 1940 it asked that insurance against unemployment be written into our constitution, into section 91 of the British North America Act.

[Mr. Knowles.]

Therefore, although the government and the unemployment insurance commission may have some feeling of satisfaction that when this bill is through the act will be in better form administratively than it was before, it is a disappointment to us that it does not move further in the direction of full federal responsibility for all employable unemployed.

When some others have talked in this vein the Minister of Labour has tried to suggest that this was an attack upon the actuarial soundness of the fund. The minister knows that some of the responsible labour bodies in this country have urged that those outside of unemployment insurance as we now have it should be covered by the federal government, but that the administration of whatever payments need to be made to these people should be under the unemployment insurance commission, with any additional grants of money that may be necessary to be made from the consolidated revenue fund. We feel that an approach of that kind would be much better than the one now being considered because it has been proposed by the Prime Minister. We feel that it would be more in line with the sound principles which the federal government laid before this country in the green books of 1945.

Because I spoke at some length on April 4, and because I expect to be a member of the committee to which this bill will be referred, I am not going to speak at length now. Neither am I going to raise all the issues which I feel we must raise when the bill is before that committee. However, there are one or two items which it seems to me are of sufficient importance that attention should be called to them now.

As I indicated in the reference I made a moment ago, I join with others in protesting against the reduction of the maximum period from 51 to 30 weeks. Here we have a case of the government giving with one hand but taking away with the other. I recognize that for three years after this bill comes into effect there will be no loss in actual dollars compared with what one would have had under the old act, but once that three-year period is over we will be down to the 30-week maximum rather than the 51-week. This will come at a time when the employment situation in Canada is still a question mark. We will be faced with all the various factors, including the tremendous factor of automation. We feel that this is no time to be reducing the maximum period for unemployment insurance benefits.

We feel that there is a deficiency in the new legislation in that although there are slight increases in the rates of benefit, the gap between the rates of benefit to be drawn

by insured workers and their wages before going on unemployment insurance is forever widening. The increase in benefits does not keep up with the increased cost of living, which is reflected in part in increased wages.

Workers who go on unemployment insurance today, or after this act goes through, even though they may get more dollars than was the case in 1940 or in 1945 will find the gap between what they are getting on unemployment insurance and what they were getting before they became unemployed much wider than it was. We feel that consideration should be given to the need of a higher rate of benefit.

I should also like to draw attention just in passing to a change which concerns me and which I have found in the section having to do with what we call the fair employment practices aspect of the Unemployment Insurance Act. As I read the section in the old act, which was put in only a few years ago, there was a small loophole in it. I admit that loophole was there, but it was a loophole of only two or three words. In the new act that loophole has been enlarged to two or three lines or even more. It seems to me that was a fairly important amendment, and I am sorry to see the loophole being made larger.

Likewise, Mr. Speaker, as an example of a type of change that is being made, may I say that I find the position of those employed by municipal public utilities is being altered. Under the old act the wording was such that employees of municipal public utilities were, by statute, made workers in insurable employment. Under the new act that is a matter of regulation; at least the commission can, by regulation, rule such employees to be excepted from the category known as insurable employment.

I mention that point, Mr. Speaker, because I am concerned about it in its own right, and also because I think it illustrates my point that in this legislation many changes have been made which seem to have as their aim the desire to make it a little easier to administer the legislation. I sympathize with the unemployment insurance commission in the tremendous job it has and the good job it does in administering this act, and I understand it wanting to have things so that they can be worked smoothly. We understand its desire to have leeway here and there so it can adjust things to fit various situations. But we do not like to see groups of people who were specifically covered put in an uncertain category, as is the case with those working for municipal public utilities.

Mr. Speaker, I am going to keep to my promise that I would save most of the points I want to raise on this bill until we get into committee. I am glad the minister has agreed that this bill is to go to the committee on industrial relations, where I know there will be representations from interested bodies and organizations. After we have been able to go over it in that committee I hope we shall be able to bring it back to the house a better piece of legislation than it is at the present time.

But even after we get such improvements as we can win in the Unemployment Insurance Act, I remind the government that this is not the whole answer to the tremendous problem of unemployment facing Canada at the present time.

Mr. W. H. McMillan (Welland): Mr. Speaker, I discussed these amendments at the resolution stage of the bill, and I shall now take only two or three minutes of the time of the house. At that time I think the minister said that 95 per cent of the unemployed drew benefits for 30 weeks or less.

Mr. Gregg: Twenty weeks or less.

Mr. McMillan: This means that 5 per cent of the unemployed will be worse off than before. Their position would not be as favourable unless, of course, their unemployment exceeded this time by a very short period, in which event they would gain by the increased payments, or if the termination of their regular benefits came at a time when they could qualify for seasonal benefits.

This 95 per cent mentioned by the minister has reference to an over-all percentage for Canada. I know that for certain depressed areas, where there has been considerable unemployment, there would be considerably more than 5 per cent unemployed after the 30-week period during which it is now proposed to pay regular benefits under these amendments.

I would appeal to the minister to extend this period beyond 30 weeks, for the following reasons. I think most Canadian workmen prefer to pay into the unemployment insurance fund and draw benefits while they are unemployed. They want to retain their self-respect. They do not want to be obliged to depend on relief and charitable measures. If the unemployment insurance were paid for this full time, I think there would be less need for these relief measures. In these depressed areas I think it is fair to say that the people are less able than they otherwise would be to raise money for charitable purposes. Rents and taxes are in arrears. The people and the municipalities themselves are less able to raise money than when their economy is normal or buoyant.

We must not assume that a man who has not found work in the 30-week period does not want to find work. I know of a number of good, responsible men who have travelled across Ontario at least, getting rides with motorists, in an effort to find work. They have been unable to find work, and their benefits have expired. I was glad to see the seasonal benefits increased earlier this session. I am also glad to see the regular benefits increased under this act. However, I regret to see the time shortened with respect to payment of these regular benefits.

We live in a country of plenty, one with agricultural surpluses. I do not like to see anybody in this country go hungry because of our inability to deal with this particular phase of unemployment. I fully agree with the Prime Minister that we should not class those in need as employable and unemployable. The term "unemployable" is in many instances a relative one. Medical men are often puzzled to know how to classify these people. For example, a man might be unemployable as far as heavy, laborious work is concerned, but he might be better off physically and mentally if he had some lighter work to do.

In the debate at the resolution stage of this bill I emphasized the difficulties experienced by older workers in finding work, particularly the difficulty experienced by those 45 years of age or older in finding insurable employment under this act. Retirement at too early an age is causing a real social problem. In many cases it results in early physical and mental break-up. I have observed this result many times in my practice, and I am sure that is true in the case of other physicians. I would hope that our government will give consideration to this problem of the older worker, with a view to helping him prolong his years of contentment and usefulness.

I do not propose to deal with the other matters that I dealt with at the resolution stage of the bill. I then talked about wider coverage, but I think I shall leave that matter until the bill is in committee.

(Translation):

Mr. Andre Gauthier (Lake St. John): Mr. Speaker, the government has shown realism and vision in bringing to this act such amendments as are likely to benefit the unemployed. Moreover, as evidenced by the proposals recently submitted to the provinces at the preliminary federal-provincial conference, the government clearly has no intention of shirking its responsibilities in connection with unemployment and is resolved to implement whatever measures are necessary to solve this problem.

There is nothing surprising in the fact that this new bill respecting unemployment insurance is more generous and liberal, while imposing on the worker as small an increase as possible in those contributions necessary to give effect to this splendid social legislation. The minister has tried to make this legislation more flexible by requiring that contributions be now collected on a weekly rather than on a daily basis. The increase in benefits from $24 to $30 for married people and from $17.10 to $23 for single people will make it easier for these unemployed to provide for the basic necessities of life.

An important point to consider is that the integration of seasonal benefits, granted early this session, together with the advantages that will come out of this redraft, aimed at alleviating current unemployment, are not a result of a temporary measure merely for the duration of the present slack period. On the contrary, it will remain permanently in our statutes and, for years to come, citizens affected by seasonal unemployment will benefit from it.

I wish to commend the government for its energetic efforts to ease the people's burden and for its evident desire constantly to improve the lot of the workers.

Like everybody else in this house, I am eager to see this bill adopted, although I think it my duty to call the attention of the government to certain aspects of that legislation which have to do with men employed in lumber camps. In the province of Quebec, employment in the lumber trade and industry has been insurable since April 1, 1950. I might recall that, early in the first session of last parliament, I insisted on having lumberjacks covered by the Unemployment Insurance Act, because I felt that those who are most affected by the ups and downs of the employment situation are in the greatest need of protection.

The commission then thought that most workers in that industry only worked part of the year. That is why it was declared seasonal and a subsequent ruling imposed additional reservations with regard to the receipt of unemployment insurance benefits during the off-season. In the province of Quebec, Mr. Speaker, this off-season extends from April 1 to September 30.

Conditions in which lumbering operations take place tend to change from year to year. Automation, for instance, has contributed to

change the lumber industry into a year-round proposition.

Thus tractors and trucks are put to use as early as September and October and, very often, lumbering operations start just after the floating of the timber, usually between May 15 and July 15. The off-season for the lumberman therefore actually extends from July 15 to September 1st, while during the rest of the year he is actively engaged in cutting and other related operations. That is why I am requesting that seasonal regulations be lifted in the case of lumbermen. I am well aware that enforcement of these regulations is a source of misunderstanding, misapprehension and bother. By exempting the lumber industry from seasonal regulations, the commission would only generalize a situation which is already prevailing in the same industry in western Canada, especially in British Columbia.

I would not like to resume my seat without a word on behalf of the farmer who, during the slack season on the farm, goes out to lumber camps. Because of regulations governing seasonal employment, he does not qualify for unemployment insurance benefits unless he can prove that he has worked at least 135 days during the active farming season.

Mr. Speaker, those regulations are outmoded and complicate the life of everybody, including the insured people as well as the administration. I know that the intention of the government in making this revision is to apply the benefits of the act to more people, so as to extend the scope of this excellent social legislation. I am therefore satisfied that the commission, which is being authorized by the present act to draft regulations, will take my suggestions into account.

Mr. Speaker, I live in a district where lumbering operations are of prime importance. I know lumbermen very well and I know too of their needs and of their problems. That is why I am confident of speaking on their behalf when I request that they be exempted from the regulations regarding seasonal employment. The small farmer and the settler, who has to work away from home in the wintertime to earn a living for their family would undoubtedly be grateful if the commission decided to show more generosity towards them when drafting the new regulations, so that they may benefit, in the same proportion as other workers, from the unemployment insurance stamps they have in their books.

(Text):

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, ordinarily I would not be too happy about dragging out the debate on second reading of a bill that is to go to a committee for special consideration, but the other day the hon. member for Charlotte (Mr. Stuart) referred to certain things in connection with myself and unemployment. I should like to refer briefly to what he said and connect it with the thoughts I have respecting the legislation now before us.

It is true that in a speech I made the other day I perhaps invited a reply, but I was a bit disappointed that the hon. member for Charlotte could not find any criticism except the one he levelled at me. I do not refer to this matter now in any malicious way, but I should like to read what he said on that occasion. At page 3484—

Mr. Speaker: Order.

Mr. Bell: Mr. Speaker, perhaps I might just say that the hon. member for Charlotte suggested that I did not get up and speak on unemployment during the debate on that subject a short while ago. Last year I spoke on unemployment in the throne speech debate, in the unemployment debate and on the budget. This year I spoke on unemployment in the throne speech debate and was prepared to speak during the unemployment debate when I realized that the debate had gone on for a longer period than perhaps was desired by both sides of the house, and refrained from making my remarks at that time.

However, at the first opportunity, during the budget debate, I referred to the unemployment situation in Saint John. I mentioned that it was much better, and I thought I gave the government full credit for that. I realize that the provincial situation is another story. However, I did want to clear up the matter since I am a member of the industrial relations committee, come from a labour riding, and am concerned about these matters.

Mr. Speaker: Order. May I ask the hon. member whether he should not deal with the so-called accusations or other remarks the hon. member for Charlotte has made affecting him when we resume the debate on the budget. I notice that the hon. member spoke on the amendment to the amendment but has not spoken on the amendment. The hon. member for Charlotte also spoke on the amendment to the amendment, which has now been disposed of. The hon. member may deal with him further in the budget debate.

Mr. Knowles: Never turn down Mr. Speaker's invitation.

Mr. Bell: I believe you are quite right, Mr. Speaker. I was merely suggesting my reason

for taking part in this debate on second reading, and saying it was not perhaps so serious. I wanted to leave it at that.

Then looking over Bill No. 328, which is now under consideration, I think perhaps the entire bill has been covered both at the resolution stage and now on second reading. The history of the Unemployment Insurance Act was reviewed. This is a complete revision of the act, 121 sections. It is divided into five parts, and I think we all give the minister credit for introducing this in a businesslike way.

There is one phase of the life of our people that has not been covered in this bill to the extent I believe it should have been. I feel that perhaps we are not aware of this group of people to the same extent we are aware of the entire labour and employment field. I was pleased to hear the previous speaker, the hon. member for Welland (Mr. McMillan), refer to the older age group who are increasingly becoming a problem in our community life. There is a new interest in this age group. Those of us who represent industrial ridings and have calls for employment assistance, relief and other considerations, would probably all agree that people from 55 to 65, the non-veteran group, are a serious problem.

Recently the Canadian Welfare Council published a special issue dealing with this problem. I suggest, Mr. Speaker, that perhaps this legislation could take more cognizance of this age group than has been the case. Some interesting facts in connection with this group are contained in this special issue, but I shall not go into them. The entire issue presents the case for this group, and I merely suggest that this legislation does not seem to be completely in conformity with the present plans of the department. The department published an interesting booklet concerning the problems of the older worker, and I have looked it over. It is probably fair to say that it does show an interest, but that interest was not carried through into this legislation.

I refer specifically to the controversial provision in this legislation which has been mentioned by nearly all the speakers so far, concerning the reduction of the maximum benefit period in the year from 51 to 30 weeks. It is true that less than 4 per cent of those receiving benefits under the Unemployment Insurance Act during the year take the full 51 weeks now available. It is true that the transition period which has been planned for the next three years does assist this situation. It is true also that the seasonal benefits which were added this year do add 15 weeks of benefit in some cases, but I suggest this matter has not been covered completely in this reduced period.

[Mr. Bell.]

I have some figures I should like to mention that are contained in the annual report on benefit years established and terminated under the Unemployment Insurance Act for the calendar year 1953. The source is the dominion bureau of statistics. Persons over 60 receive a relatively high proportion of the total benefit days paid. Such persons received 8,125,160 or 18·2 per cent out of a total of 44,660,188 benefit days paid on benefit years terminated during the calendar year 1953. While they received 18·2 per cent of the total benefit days paid, persons over 60 accounted for only 10 per cent of the total benefit years terminated in 1953. I think it is fair to say that elderly people are apt to be eligible for the maximum duration of regular benefits. Retired persons who have paid into the fund for some time, therefore, constitute the group most largely affected by the reduction in the maximum benefit allowed from 51 to 30 weeks.

I suggest, Mr. Speaker, while this legislation is welcome to some extent, this reduction is going to create a hardship on our older citizens, those who have been forced to retire at 60. In the past they were able to take the full 51 weeks' benefits, but now that is being cut down to 30 weeks, with a possible extension through supplementary benefits. I do suggest there is a slight inconsistency in the attitude of the department toward this age group when they send out propaganda in connection with them, yet do not consider them to the fullest extent in this change that is being made.

No reason for the change was given by the minister, except that only a small percentage would be affected. I do hope that when the measure is before the committee every consideration will be given to the employment problem of this older age group, which is becoming such a sore spot in our community.

Mr. Barnett: May I call it six o'clock, Mr. Speaker?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, when one rises at this stage of a debate he is apt to discover that not all of his thinking on the principle of a bill, such as the one we have been considering, has been completely unique or original. So perhaps I shall take as read some portions of the speech I had intended to make.

Nevertheless there are some matters which have not yet been touched upon by other

hon. members which I feel are of sufficient importance to merit consideration at this stage. I should like to mention those while I have the opportunity, and before this bill goes to the committee on industrial relations for consideration. May I say that, along with a good many other members, I am very happy that this type of study is to be given to the bill.

I think it becomes evident that one's reaction to the bill and the changes it proposes to make in our Unemployment Insurance Act depends very much upon the context in which one is considering it. One or two hon. members from this group who have preceded me in the debate have pointed out that the bill, and the general set-up of unemployment insurance, come far from meeting all the needs that arise in respect of unemployment and the problems connected therewith. I would suggest that those shortcomings arise largely from the fragmentary and piecemeal nature of the various measures of social security which thus far we have seen put into effect in Canada. However, if one does consider the bill in a narrower context, that is in relation to the present Unemployment Insurance Act, then I for one am inclined to feel that on balance this bill does represent something by way of a step forward in our unemployment insurance legislation. For that reason I am happy to see many of the provisions the bill proposes to introduce.

Along with others I have been giving special thought to those sections of the bill which have to do with the qualifying period, and the changes made in respect of the duration of the benefits. I think we must recognize that while this bill applies to a broad group of Canadian citizens, nevertheless under the present act, and even if the bill now proposed becomes law, the fact still remains that those able to secure benefits under the unemployment insurance legislation will remain in effect a privileged group of Canadian citizens.

It can be argued that under certain circumstances the clause in the bill which changes the qualifying arrangement from that of so many contribution days to that of so many contribution weeks does make it somewhat easier for persons to achieve qualification under the bill. Nevertheless it still remains a long way from providing that principle of complete insurance coverage which I suggested in a former speech could very well be applied and must be applied before this legislation is all that it should be. I suggested that, following through with the generally accepted insurance principle, it should be possible if one had paid, in effect, one premium under unemployment insurance, such person should thereby become qualified to benefits if, through no fault of his own, the need for such benefits became apparent. I still feel that should be our objective.

Obviously the present measure falls far short of measuring up to that kind of requirement. I do appreciate that section of the bill which increases the minimum period of benefits, the period during which people who have not achieved a great length of contribution under the bill can receive benefits, if they become qualified. To my way of thinking that does go some distance toward meeting the needs of those who are most likely to require the benefits.

There has been a great deal of talk over the fact that the maximum period for which benefits can be paid is being reduced from 51 to 30 weeks, and I know that various labour groups in the country have been making representation on this point. So long as the general situation in Canada continues in its present state, representations are going to continue to be made on that point. However, it has become apparent to me that the approach the government has taken toward the question of unemployment insurance coverage is still basically that outlined some time ago by the minister, when he said it was designed to meet the needs of frictional and seasonal unemployment. I suppose it might be argued that under the Unemployment Insurance Act as we have understood it thus far in Canada, that is all this particular legislation is designed to do. This particular proposal in the bill makes it clearer than ever that that is still in the mind of the Minister of Labour and in the minds of his colleagues in proposing the present measure.

I might point out that the fact this proposal is being advanced makes it more evident than ever to me that there is a need in the country for something over and above what we have in our Unemployment Insurance Act. It may be true, as the minister has pointed out, that the proposal contained in the bill will meet the needs of those requiring unemployment insurance benefits or at least a large percentage of them. However, that still does not alter the fact that there are people in the country who are going to need something more than that; and when one hears talk about developing automation, and when one gets little glimpses every so often of the speed with which technological change is taking place in the country, then, should the bill return to the house for third reading with the proposal for a 30-week maximum intact, it will become more apparent than ever that we do need to have

developed some other form of insurance which will cover those the present act is not designed to cover.

I am glad to see that provision is made in the bill for a three-year period during which the present arrangements can be tapered off. I should like to suggest that in that three-year interval the government might give serious consideration to the proposals advanced in the form of the resolution I had on the order paper last session and again this session, having to do with a new national insurance plan covering individuals against dislocations caused by technological advances, changed marketing conditions and other related causes. If we can have some serious indication from the government that they have some such proposal in mind in order to deal with those other problems related to the unemployment question which, it has been made plain by the statement of the minister, the present Unemployment Insurance Act is not designed to cover, then there would be a good deal less concern over this proposal to reduce the maximum period during which benefits can be paid.

I hope that in the tapering off period to which I have alluded serious study will be given to the manner in which some such proposal as I have suggested can be brought into being in this country. I might suggest, of course, if some of our present economic trends continue, the need for something of that kind will become increasingly apparent long before the three-year tapering off period is over.

I shall not deal at any great length with that subject, but there are two or three points covered in the bill with which I should like to deal briefly. In clause 27—

Mr. Speaker: Order. Will the hon. member be good enough not to refer to sections at this stage? We are discussing the principle of unemployment insurance, and this is not the time to go into the various sections of the bill. The hon. member will have to wait until the bill comes back and is considered in committee of the whole.

Mr. Barnett: Mr. Speaker, I am quite willing to bow to your ruling in that regard. It was not my intention to go into a detailed analysis of the section. It was merely for convenience of reference that I mentioned the number. I hope Your Honour will agree that in a bill of this kind complex principles are involved.

I wish to discuss the matter of excepted employment. Reference has already been made in the debate to one particular aspect of the subject, namely the fact that employment in the fishing industry is still excepted employment. I am very glad to know that a number of hon. members have taken up this matter. The present bill still proposes to except those who are employed in the great fishing industry of this country from the coverage of unemployment insurance. This is a matter on which I feel very strongly myself. It is a fairly complex matter.

I should like to have some assurance from the minister that when this bill goes to the committee thorough consideration will be given to all aspects of that matter so hon. members can discuss in detail the pros and cons that it is not possible for us to discuss at this stage of the debate. I hope following that discussion the bill will come back to the house with an arrangement whereby those in the fishing industry will come within the provisions of the bill as we finally pass it.

One other group of people are mentioned as being in excepted employment, and I should also like to refer to them. It is a fact that those employed in a hospital not operated for purposes of gain are still listed among those in excepted employment. Unless my understanding of the situation throughout this country is completely wrong, the proportion of hospital beds involved in institutions which are operated for gain is very small indeed in Canada. Therefore, for all practical purposes the section eliminates from the coverage of the bill those who are employed in hospitals.

I notice that provision is made for the commission, with the consent of the employer, to include those who are employed in hospitals that are not operated for purposes of gain. That principle is embodied in this bill. I feel that the sections which deal with it are completely at variance with the basic principle embodied in the bill. I suggest this section should be taken out of the bill. The fact that this bill makes the employees of the hospitals of this country subject to the whims and fancies of the employers is most repugnant to me. What does this mean? It means, for example, that a stationary engineer working in a sawmill or in a factory is in insurable employment, but if he moves into a hospital he disqualifies himself for the benefits of unemployment insurance coverage.

I might point out that another principle is expressly set out in the bill. It says that in determining whether any employment is or was insurable, regard shall be had to the nature of the work rather than to the business of the employer.

I understand that representations have been made on this question by those who are managing hospital institutions. If such representations have been made, I would suggest

that they represent a very serious blind spot in the thinking of those who may otherwise be carrying on a most useful and desirable function in the life of this country. I would suggest to them that the time has come, if they still hold those views, for them to revise their opinions.

Because of the way in which some hospitals and charitable institutions are run in this country, it may not be possible or desirable to have complete and universal coverage in that connection; but I would suggest that if that is the case this section could be much more desirably drafted by having it read in this way: "At the request of the employees, the commission shall bring these people into insurable employment".

In the province from which I come the hospitals are supported by the populace as a whole. It is a very poor situation when many thousands of workers who are supporting the hospitals are themselves covered by unemployment insurance, yet their fellow workers, who may be called upon to minister to them in their illness, because of some whim of the hospital board, are denied what to those who are patients is a right and privilege which they enjoy as Canadian citizens because of this act.

There is one other group of citizens of this country which is in effect an excepted group, although they are not named as such in the Unemployment Insurance Act. During my visit last year to Newfoundland I was surprised and shocked to learn that many hundreds and probably over the course of time many thousands of my fellow Canadian citizens in that province receive no benefits whatever under the Unemployment Insurance Act because they are or have been employed on certain leased bases in that province. I became interested enough in the situation to do a little reading on the subject to find out how it came about. I realize, as all members of the house do, that basically it arose out of a treaty to which Canada was not a party in the first place. I discovered that this treaty has been modified since the time Newfoundland became a part of Canada, and I assume there is a possibility that some further modifications might be made in that respect.

Apparently such modifications as have been made have not been such as would cover those who are employed, for example, by a civilian United States contractor at a leased base. As far as I can see that is not a good situation, that is not something which Canada as a whole should continue to countenance. I notice that article 28 of the original treaty makes provision for giving sympathetic consideration to any representations which either party to the agreement may make from time to time after the agreement has been in force. I notice also that after Newfoundland became part of Canada certain modifications were made.

On page 46 of treaty series 1952, No. 14, it is pointed out that arrangements were made whereby exemption from Canadian income tax, which apparently had been in effect, was removed from United States contractors or contractors ordinarily resident in the United States in respect of profits arising from work performed at the leased bases. I suggest that when such modifications of the treaty were made it would have been desirable at the same time that a further modification be made to require such contractors to have their employees covered by the Unemployment Insurance Act. However, I understand that was not done and, as I say, over the years many thousands of the citizens of Newfoundland have been denied the right to build up unemployment insurance coverage.

Unless the Minister of Labour can persuade the Secretary of State for External Affairs to make some immediate adjustment in the arrangements with the authorities of the United States of America, I would suggest that when this Unemployment Insurance Act is being revised provision should be made to cover these people. Those of us who live in the rest of Canada and who directly or indirectly were responsible for the partial alienation of what is now Canadian soil should be prepared to accept the responsibility of seeing that no citizen of Newfoundland is thereby deprived of his right to unemployment insurance. If it is necessary to draft an arrangement whereby the unemployment insurance commission will assume the employer's share in connection with workmen engaged in these areas, I think that is something this parliament could very well support.

I realize that there are a number of matters in respect to this bill which have not been touched upon either by myself or by other hon. members. There may be other hon. members who wish to take part in the debate, and certainly there will be opportunity for full discussion of all sections of the bill when it gets into committee. Therefore I shall not prolong my remarks at this time.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the hon. member for Winnipeg North Centre, the hon. member for Cape Breton South and the hon. member for York South have as usual offered the constructive criticisms and suggestions which are put forward by this party and other members of our group. There is no necessity for me to

take up the time of the house to repeat them, but I do want to bring to the attention of the house and the minister two or three groups who are excluded under the present bill whom many of my constituents would like to see included.

Before proceeding with this matter, I must say that I was most interested in listening to the debate this afternoon to note the exceptionally large percentage of Liberal members who spoke in the debate who had criticisms to make of the bill and suggestions to offer to the minister. I was most interested in listening to the two hon. members from the province of Quebec who spoke just prior to the recess at six o'clock, and I noticed that both hon. members put forward criticisms very similar to those I am going to make at this time.

First of all I refer particularly to farm workers. A good many of the people I represent are very sorry that farm workers are not included in the coverage of this legislation. Farm workers should be covered by the act. In my opinion the present exclusion of farm workers is unfair to the farm worker and to the farmer.

I say it is unfair to the farm worker because it penalizes him for doing a most essential job, a job which is not popular with a great number of people in this country at this time. We should do everything possible to keep our farmers on the land and encourage farm workers to assist in the working of those farms. A farm worker usually works for lower wages and in many cases he has less security than the industrial worker. If any section of workers needs it, he needs this protection. I think we should do all we can by amending this legislation and in other ways to make employment on the farms of this country as attractive as possible.

I say it is unfair to the farmer because it makes it very difficult under some circumstances for him to obtain farm labour at the right time, particularly casual labour. I know that in my own constituency quite frequently a man would like to go to work on a farm for a month or two, but if he has any choice of employment at all he will accept employment where he is covered by the Unemployment Insurance Act. I think it is most unfair to the farmer as well as to the farm worker, because it puts the farmer in a difficult position when it comes to competing for necessary labour, particularly at certain periods of the year.

This is an extremely important matter to the farmers in my constituency, particularly those engaged in the fruit industry who usually do their pruning in the spring months of the year while the snow is on the ground, then have considerable thinning to do in the summer months—there is a great deal of hand labour in orchard work—and then in the fall require extra help in the harvesting and packing of the fruit. It affects fruit farmers particularly, and other farmers as well. I say that the exclusion of farm workers from the terms of this act is unfair to the farm worker himself—it is distinctly unfair to him—and presents an unnecessary problem to the farmer.

Of such great concern is this matter to the farmers in British Columbia that I know it has been discussed at numerous farmers' conventions and farmers' institutes. I have heard it discussed at institute meetings in the Kootenay district and in other districts in British Columbia. It was the subject of considerable discussion at the recent convention of the British Columbia fruit growers' association held in Kelowna on January 18, 19 and 20. I might say that this is a convention of all tree fruit growers in the province of British Columbia covering the Okanagan, the Kootenays and the main-line points along to the west of Kamloops.

This subject was of such great importance that it was raised on the first day of the convention, and considerable discussion took place. Then it was decided that it would be a good idea to get the head of the unemployment insurance office to come and address the convention, to inform the convention of the terms of the act and so on. This gentleman kindly came to the convention and gave an informative address to the delegates. Following his address there was a thorough discussion of the whole problem and by unanimous vote the delegates to the British Columbia fruit growers' association convention adopted this resolution:

> Whereas in almost every other industry there are unemployment insurance benefits.
>
> Therefore be it resolved by this 1955 British Columbia fruit growers' association convention that steps be taken through the proper channels to persuade the dominion government to include full-time farm workers in the national unemployment scheme.

I support that resolution, Mr. Speaker. I might say that I am one of those who have been asked to try to persuade the government to give effect to that resolution.

In addition to provision for full-time farm workers, I think provision should be made for part-time or casual farm workers. In our district we find a situation which is similar to that described by the Liberal member from Quebec who spoke prior to the recess at six o'clock. There are a great many farmers who carry on a combination of farming and lumbering. We have lumbermen who are willing to put in a few weeks on a farm, or

who would be willing to put in a few weeks on a farm if they could continue to be covered by unemployment insurance benefits and so on.

I urge the minister to give serious consideration to these representations from the British Columbia fruit growers' association and other organizations, and to the requests that have been made in the house by members of the various parties during this debate. I also hope the committee will inquire thoroughly into this aspect of the question, because I am distinctly of the opinion that the exclusion of farm workers is unfair to those working on farms and is distinctly unfair to the farmers.

I now want to deal very briefly with another group. On April 4, when the resolution preceding this bill was under discussion, I raised this matter but, after listening to the minister and after carefully reading the record, I note that the minister did not rise to my bait. I am therefore now going to cast another fly in his direction. I want again to bring to the attention of the minister the unfairness suffered by certain groups, particularly in British Columbia. I refer to certain people who are employed in the forest branch to carry on tree planting, snag felling, land clearing and the burning of brush in order to provide forest protection and conservation. Here is what to me is a peculiar thing.

By an arrangement between the federal government and our provincial government the clerical staff, the research workers, the draftsmen, the mechanics, the scalers and the truckers of the British Columbia forest service receive unemployment insurance benefits, but the very men of whom I have spoken are not covered. These men are usually employed in the months of the year when there is no snow on the ground, and quite frequently they are laid off as soon as the first snow comes. At that time of year it is often extremely difficult for them to obtain employment. These men who work in the forest branch on forest conservation are the very ones who should be brought under the terms of this act.

I hope the minister gives consideration to that aspect of the problem, and I also hope the committee will study the question. I cannot understand the logic of the present arrangement. These men are doing almost exactly the same type of work as are the lumbermen in the woods, those working in the sawmills and for the logging companies. For instance, I was in a camp last summer in which men doing this work were not covered by the act. But the truck driver in the camp was covered, and the cook in the camp was covered. It is a situation that creates some unfairness to these men who are willing to go in the woods in the summer and do this forest protection work. I ask that their case be given consideration by the minister and by the committee.

Before concluding, I want to support all those hon. members who have presented the case of the fishermen. I understood the minister to say that the matter was under study and was receiving careful consideration. I am not well acquainted with all the complexities of that occupation, but judging from the representations that have been made to members of this house and the representations that have been made by members of this house from all parties to the minister, I am quite confident that there must be a great deal of validity in the arguments put forward.

I trust that the position of farm workers, those engaged in the forest service of British Columbia in the conservation of our forests, and those employed in the fishing industry will receive from the minister, from the committee, and finally from this house the consideration that their situation and their contribution to our production deserves.

Mr. G. R. Pearkes (Esquimalt-Saanich): Before the minister closes the debate, Mr. Speaker, may I say that the reference by the hon. member for Kootenay West to casting a fly and hoping to catch a fish prompted me to make one more appeal on behalf of the fishermen.

It will be recalled that the Minister of Labour earlier this session said he was giving consideration to the finding of means by which the fishermen, and those to whom he referred as near-fishermen, might be included in the coverage under amendments which he hoped to bring in to this legislation.

I do not intend to repeat at any length the arguments I have advanced on behalf of these men who are employees of companies engaged in the fishing industry. In certain companies there are men employed in various trades. In these trades employees of other companies which are not actually engaged in fishing are covered. I have called the attention of the minister to the fact that it is necessary to maintain the fish traps and weirs. The number of piles to be driven at certain seasons of the year requires the fishing companies to employ pile drivers who work for companies which are engaged in the construction industry. Those pile drivers, working on the same project alongside the pile drivers who are employees of the fishing company, are covered by unemployment insurance, but those who are employees of the fishing company are not. I have referred to pile drivers, but there are several other

kindred trades in which men are employed by the various companies engaged in the fishing industry.

Of course there is the question of the men who actually go out in the boats to harvest the fish from the ocean. A few of them own their own boats, but the majority are either working in some co-operative or are working as employees of a fishing company. Sometimes the query is raised as to who is going to pay the employer's contribution. I do not know whether the minister has explored the angle that the buyer of the fish, who is really the employer of the fishermen, might possibly be expected to pay the employer's contribution. These companies are keenly interested in the catch made by the fisherman. The success of the packing company or the purchasing company depends entirely upon his catch. Could they not be classed as the employers?

I have put the various arguments before the minister personally and in the house on other occasions. I am not going to repeat them, but I hope that when the bill goes to the committee some way will be found whereby employees of fishing companies and the fishermen themselves can be covered by unemployment insurance. I know the work of the fishermen is largely seasonal, but because they are engaging in more and more different types of fishing and are not restricting their catch to one particular species the work is being spread over a much longer period than was the case a few years ago. The work is not nearly as seasonal as it was 10, 15 or 20 years ago, and the fishermen must have different types of equipment to catch the various species of fish throughout the greater portion of the year in order that they may make a living.

I make a final appeal to the minister to urge the committee to which the bill is being sent to give the most earnest consideration to some way of covering the fishermen employed in this great industry on the Atlantic, the great lakes and the Pacific coast with unemployment insurance.

Mr. Gregg: Mr. Speaker—

Mr. Speaker: If the minister speaks now he will close the debate.

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I think the debate today has indicated the keen interest there is in unemployment insurance and in this measure to improve our Unemployment Insurance Act. I believe it is correct to assume from what we have heard this afternoon and this evening that nearly all the things we are trying to do in this measure meet with general approval. Of course there are strong differences of opinion as to how we should go about it, and as to some of the details.

I have made a note of the various points that have been raised in the different speeches. I noticed during this debate on second reading, when the principle of the bill is before the house or, as one hon. member said, the various principles of the bill, that most hon. members expressed the view that a closer examination should wait until the measure comes before the standing committee on industrial relations.

I think it would be well for me to follow that good example. In doing so, however, may I say that I appreciate the helpful and interesting manner in which the discussion has been carried on today. Even though I may not now dwell on the various points raised, I should like to assure hon. members that I am fully aware of their seriousness, and I give them the assurance that there will be a full opportunity for their discussion in the standing committee. For instance, just a few moments ago reference was made to fishermen. They and farm workers were mentioned this afternoon by a number of hon. members. I can tell the house that these matters have received and will continue to receive attention and study to see what we can do.

In saying that, I should like to state that the fringe group, if I may call it that, associated with the fishing trade, referred to by the hon. member for Esquimalt-Saanich, and the forestry group referred to by the hon. member for Kootenay West, do not come exactly within the category to which I am referring now. I think we should have less difficulty in finding a formula for those two small groups than in the case of the main bodies of fishermen and farm workers.

I think the house will understand some of the difficulties that will face the committee when I say it is recognized, according to the 1951 census, that there were 50,222 non-wage earners amongst our fishermen, or 93 per cent, and 3,775 wage earners, or 7 per cent. I am not going to pursue that matter now; we shall discuss it again in the committee.

I can say with regard to these two groups that the commission can by regulation, subject to the approval of the governor in council, bring under the act any group of workers, and the commission constantly has in mind the possibility of increasing the coverage and bringing in as many people as possible. But there are a great many more difficulties, some of which have been referred to today, and they can be discussed when the bill goes to the committee.

Among other things, in the debate there was reference to seasonal benefits, the

length of the benefit period—perhaps talked about more than any other point—and the question of a closer relationship between the benefits and the coverage, which is a feature of the bill. In the first instance all these matters gave the commission and the government a great deal of concern before the measure was introduced. I feel the discussion today has been useful, and hon. members will be able to appreciate some of the other considerations when the bill goes to the committee.

Motion agreed to, bill read the second time and referred to the standing committee on industrial relations.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Thursday, May 5, consideration of the motion of Hon. W. E. Harris (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell.

Mr. H. J. Robichaud (Gloucester): Before resuming my remarks in this debate I want to congratulate the Prime Minister, who was guest of honour with six other members of the legal profession at a dinner tendered by the Quebec City bar association to mark their fiftieth anniversary as lawyers. I also want to congratulate the Prime Minister for the remarks he made on that occasion, which were reported in this morning's Montreal *Gazette*. I want to make special mention of this remark:

> "We must remain what we are—the sons of our ancestors", he said, "but we must not sever the providential link that binds us all to other Canadians.

I am sure, Mr. Speaker, that all members of the Quebec City bar association are just as proud to have our Prime Minister as one of their members as we Canadians are to have him as our Prime Minister. Once again I want to congratulate him on this occasion and express my wish that he may spend many more years as a member of the Quebec bar association, and many more years as our Prime Minister.

Mr. Fraser (Peterborough): I can go along with the first part of that.

Mr. Robichaud: With all of it. I want to join with my colleagues and express my approval of the main motion now before us. I want to congratulate the Minister of Finance upon his masterful presentation of his first budget on April 5 last. The first annual statement of our finance minister has been well received and favourably commented upon by the large majority of thinking Canadians. His belief that a healthy expansion of the Canadian economy is everybody's business will lead to greater activity in our entire national economy. He has taken a courageous position in providing a measure of tax relief to be enjoyed by personal income taxpayers and by corporations alike.

Some members of the opposition have criticized the minister and the government for budgeting for a possible deficit, while others have claimed that his deficit is far too small. The general feeling throughout the nation is that the attitude taken is sound, based on good judgment, and according to the principles of good business.

I also want to express my appreciation to the Minister of Finance for having included in this year's budget a clarification of two special items under schedule A of the Customs Tariff, which will be of immeasurable value to one of the leading manufacturers of my constituency and to the entire community.

Since the early part of 1953 base metal discoveries, followed by preliminary and normal development in the northern part of New Brunswick and particularly my constituency of Gloucester, have made news highlights. The great variety of minerals located in the Bathurst area, lending themselves in many cases to open pit mining, together with extremely low transportation costs, have led to the conclusion that New Brunswick could in the near future become one of the world's leading producers of lead and zinc. These discoveries were followed by substantial finds by American Metals Properties in the adjoining Miramichi area. Today prospects are bright for a mining future that could eventually revolutionize the entire economy of the maritime provinces.

It is recognized, however, that no mining developments of consequence and of advantage can expand without the availability of cheap electric power. No one can deny that cheap power is the key to New Brunswick's future mining development. I agree with previous statements to that effect made in this house by members from New Brunswick, whether originating from the opposition side or from the government side of this house. On different occasions the New Brunswick representatives on the government side of this house have been accused of not supporting the demand for federal assistance in the financing of hydroelectric projects for the province of New Brunswick. We realize that our mineral deposits must be developed in such a way as to be of maximum benefit to

the people of our province. To take advantage of this opportunity we need large quantities of relatively cheap power. We are in favour of federal financial assistance to the Beechwood project. We are just as anxious as the members of the opposition to see that this project is carried through to a full and successful conclusion.

While discussing power I want to place on the record my personal opinion on this matter, so as to make my personal stand on the need for power in my native province quite clear. I have some doubt that the 135,000 maximum horsepower, or I should say the possible 90,000 to 95,000 average horsepower, that may be derived from Beechwood will have any effect in accentuating the mining expansion now under progress in New Brunswick.

I am not entirely convinced that proper steps have been taken to assure the possibility of water storage in the upper regions of the Saint John river and its tributaries. The report of the international joint commission on the Saint John river have made it clear that the storage possibilities are in territory outside of the jurisdiction of the province. It has been made clear that most of the storage areas that could serve generating sites in New Brunswick are not under the control of New Brunswick but under the control of Quebec and the state of Maine. This province and state must have their say before the over-all development of the Saint John river can become a reality. Federal financial assistance to power development within the province of New Brunswick is not impossible, but it will have to result from the adoption by Ottawa of a new federal policy which could be made applicable to other provinces in similar circumstances.

I am not entirely convinced that New Brunswick can or should depend on hydroelectric power for the realization of its mining expansion program. In support of this view I should like to quote a statement by Mr. L. Riggs, manager of Brunswick Mining and Smelting Corporation, with head office at Bathurst. As reported in the *Northern Light*, under date of January 20, 1955, he said:

> The company plans this year are to make a study of the mining and milling of ore. The problem of whether or not there is to be a refinery in New Brunswick depends largely on the availability of cheap power in large quantities. Mr. Riggs gave as an example that the zinc smelter owned and operated by St. Joseph Lead in Josephtown, Pennsylvania, used more electrical power in 1954 than was developed by the New Brunswick hydro commission in the same year. He stated that he was informed that Beechwood and the entire Saint John river proposed development would not have sufficient firm power to operate a similar type smelter in addition to the normal growth of power demands for the province. The solution to this very important problem rests in the hands of the New Brunswick government.

In the statement I have just quoted, Mr. Riggs has mentioned the smelter owned and operated by St. Joseph Lead in Josephtown, Pennsylvania. The power for this particular smelter is supplied by the Duquesne Light Company. Approximately 50,000 kilowatts are produced from steam turbo generating plants, and coal is used exclusively. It is true the cost of their coal is far below the cost of any coal that can be produced anywhere in the maritime provinces.

We must not overlook the possibility that hydroelectric developments will not be in a position to supply the necessary power for the operation of a smelter and other regular mining developments in northern New Brunswick. But I want to stress the fact that we have quantities of coal available in New Brunswick, and should the quality not be satisfactory for economical use we still have the possibility of transporting coal by water from Cape Breton to the proximity of the mines in the Bathurst area at a low transportation cost of 50 to 75 cents per ton. We have in Gloucester county, at Pokesudi, year-round water facilities which would be of great advantage in the erection of a steam generating plant to serve the adjoining mining district. One must not overlook the fact that the demand for power will expand at such a rapid rate in New Brunswick that steam will always play an important part in the generating facilities.

As stated by the manager of Brunswick Mining and Smelting Corporation, Beechwood and even the proposed Saint John river development do not have sufficient potential power to operate a smelter in view of the additional normal growth of power demands in our province. If coal is not the practical answer to our power problems, if it is too expensive, no one can deny or should try to minimize the importance of atomic power in the generation of electricity. In this connection I want to quote and have on record part of a statement by the Canadian Press appearing in the Ottawa *Journal* of Wednesday, April 27, last:

> A foreseeable limit to Canada's ability to produce low cost electricity by hydro and coal is the major incentive for the development of atomic power stations in this country.
>
> Research at the Chalk River, Ontario, atomic energy plant and elsewhere in the world has proved that it is practicable to produce electricity with atomic energy. However, it is not yet possible to do this cheaply enough.
>
> Canada must design atomic power stations capable of producing electricity at a cost of five to seven mills a kilowatt hour. Any higher cost would not be economical in Canada because electricity now is being produced by coal-burning plant at that figure.

The United Kingdom and other countries lacking cheap coal and other thermal fuels may be ahead of Canada in starting to use atomic power to produce electricity. It will be economical for them to operate atomic plants which produce power at a cost greatly in excess of five or seven mills a kilowatt hour.

"This will not mean that Canada will be behind in the field of industrial atomic energy", said Dr. G. C. Laurence, director of the reactor research and development division of Atomic Energy of Canada Ltd., during a recent tour of Chalk River plant by newspaper men.

"The United Kingdom and other countries pay the equivalent of 10 to 15 mills a kilowatt hour to produce electricity by coal," he said. "If they can produce electricity by atomic power at the same price it will be economically advantageous."

Research here now is aimed at solving problems preventing production of low-cost electricity by atomic plants. Processes are sought to permit low-cost production of metals, equipment and fuels required to build and operate a power plant.

At the same time, design work is proceeding on a small experimental atomic plant to produce electricity.

When it is announced that the United Kingdom is prepared to spend $840 million for 12 atomic power stations, to produce power at a price equivalent to that for power generated by conventional means, one must not fail to recognize that atomic energy is of crucial importance to the future of our national economy.

It is recognized that all available sources of hydro power in Ontario, even with the development of the St. Lawrence seaway, will be used by 1962, according to Dr. D. A. Keys, scientific adviser to the president of Atomic Energy of Canada Limited. Some additional source must be found, and atomic energy is obviously the answer. The first prototype of atomic reactor to be created in Ontario will develop 20,000 kilowatts of electric power, and is expected to be ready in 1958. From this small reactor will follow much larger units and electric power generated from atomic energy will then be used on a commercial basis.

Great possibilities are offered in this particular field by the application of atomic energy to provide the power which is necessary for the advancement of industry in New Brunswick. Not longer than ten years ago if anyone had stated in this house that in 1955 the entire deep-sea fishing fleet of Gloucester county would be 100 per cent diesel powered, the hon. members of the opposition would have suggested that he was not practical. If anyone even five years ago had stated that in 1955 diesels would be the main source of power for our Canadian railways, here again someone would have objected and stated that he was not practical.

I want to take this opportunity to place on record before this house my personal conviction that atomic power could easily be the answer to the low-cost electricity so urgently needed in the mining areas of New Brunswick. I do not agree with the statement made in the course of this debate by the hon. member for Saint John-Albert (Mr. Bell), when speaking of the federal government he is reported at page 3231 of *Hansard* for April 27 as follows:

By some devious method they either hinder our chance to take part in the atomic power development or they completely exclude us from it.

Further on he said, as reported at the same page of *Hansard*:

Again there is an amusing and ironical element about the matter. They had edged us and coached us along. It is discouraging to see the way in which Nova Scotia, in their bid for hydroelectric power, was encouraged along. It had the first application in. It was told by the Minister of Trade and Commerce at various times that it was being considered; it was given to understand that its application was first, or No. 1. But what happened? There again it went to industry in central Canada.

The hon. member should have enough understanding to realize that an experimental pilot plant should be logically located not too far away from the Chalk River atomic plant. Can you imagine the scientists from Chalk River and from the industries interested travelling daily back and forth from Chalk River to any point in New Brunswick or Nova Scotia in connection with the construction of such a plant?

However, when the experiment has been completed and the first pilot plant of this kind in Canada is in operation, I feel that the province of New Brunswick and the Bathurst area with its huge mining possibilities should be the logical location for the construction of the first commercial electric plant operated by atomic power. Tonight I ask the government to give this request first consideration, and on this I am convinced of the support of all members of this house.

We all realize that immediate additional power is needed to carry on with mining expansion in northern New Brunswick; and personally, as I have stated, I am not entirely of the opinion that such power can be supplied from Beechwood. Tremendous amounts of power will be generated at Bersimis; and the immediate partial and temporary solution to our problem could easily be a short 10 or 15 year contract with the government of the province of Quebec to supply power to northern New Brunswick mines until the atomic power generating station can become a reality.

It is not right, Mr. Speaker, to try to leave the impression in this house that the federal government is completely neglecting the maritime provinces. Even the hon. member for Saint John-Albert was proud to quote during the course of this debate from the "Supplement to Private and Public Invest-

ment in Canada, Outlook 1955, Regional Estimates". I want to quote from his remarks as reported at page 3231 of *Hansard*:

> I followed along by saying that in New Brunswick things are beginning to move. We definitely have a good optimistic mood down there now. We have a new government. They have tackled our economic problems in a sensible way. We have invested in ourselves, Mr. Speaker. That is something which a great many of the other areas of Canada cannot say. We have led in that investment in ourselves in the last few years, and I put the figures on the record for everyone to see.

The figures which were placed on the record by the hon. member for Saint John-Albert showed that in 1953 New Brunswick had an industrial expansion of 7·9 per cent, and in 1954 it again led the way with an expansion of 27·7 per cent. What the hon. member failed to prove in the course of his remarks was who is responsible for this large increase in the capital expenditures made in the province of New Brunswick in the last two years.

To answer my hon. friend I shall quote from the annual report of the province of New Brunswick, department of industry and development, 1954, as tabled in the provincial house during the last session of the New Brunswick legislative assembly by Hon. R. J. Pichette, minister of industry and development of New Brunswick. I shall then answer my hon. friend by quoting from a report originating with a provincial government which he is supporting, as are the hon. member for Royal (Mr. Brooks) and the hon. member for Victoria-Carleton (Mr. Montgomery). I quote:

> While industrial development in the province this year did not reach the tempo we had expected, it is quite evident that the impetus to our economy being provided by Camp Gagetown and the sustained program of mineral exploration, spreading to almost all sections of the province is beginning to attract the favourable attention of a wide range of manufacturers, and services firms. Unquestionably, as camp Gagetown reaches full operational status and mining reaches the producing stage, we can expect industrial growth to keep pace.

Camp Gagetown, a federal project, and the mines financed by private enterprise are then responsible for this increase in capital expenditures in New Brunswick about which my hon. friend feels so proud. One must not neglect the importance to New Brunswick's economy of the construction of Camp Gagetown. While contracts amounting to $30 million have been awarded by Defence Construction Limited, as at February 1 of this year, it is estimated that further tenders amounting to $20 million will be let on this project within the next 12 months. This does not include the construction of 1,400 houses at a cost of approximately $16 million by Central Mortgage and Housing Corporation, a project which will be undertaken in the near future.

One must not forget that the 10,000 servicemen training at this army camp and a permanent staff of 1,500 to 2,000 will add substantially to the general economy of the province of New Brunswick. I hold in my hand a bill to incorporate the town of Oromocto; a small village, previously unknown, will become a town owing to the federal project at Camp Gagetown. Already tenders are being called for the supply of perishable food, such as large quantities of bread, milk, and meat which will be used during the long training periods at this army camp, the largest in Canada.

When a decision has to be made on the construction of a central heating plant, there again consideration was given to New Brunswick and a central furnace will be installed which will use from 40,000 to 50,000 tons of Minto coal a year. In view of the numerous challenges which we have received in this house from opposition members, I feel it is my duty to place on the record figures which will tell the truth about the situation so far as New Brunswick is concerned.

Let me outline some of the federal expenditures for New Brunswick during the fiscal year 1955-56: Department of National Defence at Camp Gagetown, $50 million; at Chatham air base and Ste. Marguerite, $7 million; Department of Public Works, $16 million; Department of National Health and Welfare in hospital construction grants, $976,000; other health grants, $1,287,000; old age security, $12,600,000; old age assistance, $1,250,000; Blind Persons Act, $265,000; family allowances, $15 million, or a total of $104,378,000.

In other words, three of the federal departments will spend in New Brunswick this year over $100 million, which is over twice the total amount of the provincial budget for the same period. Furthermore, out of a total budget of $54 million the province of New Brunswick will receive in 1955 over $17 million from the federal government under the 1947 tax agreement, which is close to one-third of its total proposed expenditure. These are the figures, Mr. Speaker, that I want to place on record in answer to the challenge from the hon. members of the opposition.

I welcome the announcement by the Minister of Finance of the appointment of a royal commission with instructions to look ahead and examine carefully our future economic prospects. The maritimes are today placing their hopes in the field of mineral development. It has been recognized that to make the most of it, these minerals should be refined on the spot, and the erection of a smelter should be followed by the necessary plant for the production of acids and fertilizer from the

large sulphur content of its ores. The achievement of these objectives is only possible, as I have just said, by the introduction of a missing element, namely cheap electric power.

The first duty of this royal commission should be to launch without delay a complete study of the maritimes' general economy and its possibilities. It appears to be an established and well-recognized factor that the maritime provinces, and particularly New Brunswick, are not in a position to finance adequate power projects to permit the normal expansion of potential developments which could revolutionize the entire economy of this particular section of our great country. We cannot expect to solve our problems overnight; but we, as representatives of the Canadian people, have assumed a responsibility which none of us can deny. It is our duty to unite our efforts and assure the participation of the maritimes in the Canadian boom which to an astonishing degree is still confined to the industrial areas of central Canada.

These are my concluding remarks in the budget debate, Mr. Speaker, but before resuming my seat I want to assure hon. members of the opposition from New Brunswick, that I, as a sitting member on the government side, am in favour of any assistance and any government measure that will add to our provincial economy and to the welfare of our people.

Mr. R. H. Small (Danforth): Mr. Speaker, I had no intention of entering this debate, but after listening to so much of the unadulterated buncombe about the government's record I just could not resist saying something about it. The taxpayer has found out to his sorrow that it is just pure illusion. The St. Laurent, Abbott and Harris dollar which they are receiving is worth less than 50 cents after all taxes are paid. The administration, because of its waste and extravagance, has had to levy higher taxes than are absolutely necessary.

One of the previous speakers, the hon. member for Gloucester (Mr. Robichaud), was quite strong in his adulation of the cabinet and the ministers of the crown. I did not know whether he was going to start out with a series of Studerisms, but I soon found out they were just plain ordinary "Studermen", not supermen.

The government by its waste and extravagance has in devious ways punished every Canadian citizen who has been patriotic or prudent enough to invest in government bonds, or whose life savings are tied up in insurance or other forms of security. These people now realize what this government has done to them through its inflationary policies. Veterans and pensioners are likewise in the same position, because they are on fixed incomes. The rapid inflation has affected them also and reduced them to a subsistence allowance; it has almost impoverished them.

While the government is very glib in taking credit for all the social legislation enacted, the truth of the matter is that most of our welfare laws originated in the fertile minds of Conservatives, although this emaciated and decrepit form of Liberalism has leeched on to them and they have fattened, as they always have done on their exploitation of the ingenuity of others.

It might be advantageous to read an article by Bruce Hutchison published last week in which he outlined the progress made in Canada since confederation. He said that the only outstanding idea that had been developed in this country was confederation itself, and that was the brainchild of Sir John A. Macdonald. The next was Sir John's national policy, that has been the base of our prosperity. The next along the line was reciprocity, which the people of this country turned down in a very decisive manner. In as much as this government has by indirect methods tried to introduce reciprocity with the United States, they should have the courage to go to the people and tell them they are trying to inflict reciprocity on them again.

However, that is up to them and their conscience, if they have one.

Our standard of living has advanced, in spite of this government, because of the initiative and incentive of our people. They are the ones who have created the wealth of this country. Our wealth has been created through labour's continuous productivity, and it is not the invention of Mackenzie King, Louis St. Laurent or even the wizardry of Ilsley, Abbott or Harris. They were just the factual, physical substance that was carried forward on the strong flow of the nation's destiny, and if we have prospered it has been in spite of them.

Last year when the minister of finance presented his budget he was most nonchalant, free and easy and indulged in many loose conjectures, or what you might ordinarily call economic double talk, the gist of which was that we were going to have a good year if we did not run into the hard times that he saw ahead and hoped we would miss.

He forecast a surplus of $4 million, with a possible deficit of $140 million if the tough times he saw ahead arrived. Well we did have the tough going to the tune of a $160 million deficit.

There was considerable similarity between the budget of last year and the budget of this year, but they could not be called twins by any stretch of the imagination. This year the nonchalant manner of the previous minister of finance was lacking. Because it was his initial appearance the Minister of Finance this year was rather tense and nervous, which we all rather expected, but he did not abandon the same chopstick logic in the juggling of finance practised by his predecessor.

Last year the minister of finance played up the recommendations of the Randall commission in the United States, which were rejected, or which if accepted were ignored and not enforced. Here is what the Minister of Finance said last year, as reported at page 3724 of *Hansard* of April 6, 1954:

> For most of this period the United States has been in the process of re-examining its foreign economic policies.

And again:

> The recommendations of this commission—better known as the Randall report—provide, in my view, a reasonably promising basis for action by the United States in a co-operative movement towards a sounder system of trade and payments.

And further down:

> —and it was recognized that enlightened economic policies on the part of both the United States and Canada would contribute materially to the achievement of a better trade and payments system throughout the free world.

And again:

> To this end the United States administration has just placed before congress a program designed to give effect to the main recommendations of the Randall commission.

And finally:

> As might be expected, this development has brought with it growing protectionist pressures in many countries, including Canada.

Here is what the present Minister of Finance said this year, as reported on page 2727 of *Hansard* of April 5:

> In the past twelve months, however, while there was no basic change in American policies, there was a disappointing lack of progress toward actual reductions in trade barriers and there were disconcerting signs of a revival of protectionist feeling in response to the increase in competitive conditions.
>
> I should remind the house that the United States administration has resisted proposals which, in our opinion, would not advance the cause of friendly and mutually advantageous trade. This resistance we welcome. On the other hand, it must be confessed that the resistance has not been uniformly successful. We all have our difficulties and it is not always possible to achieve ideal solutions. But it must be recognized that actions taken or even implied by the government of the United States may weaken support for liberal commercial policies and may impose upon those of us who are firm supporters of such policies a greater burden in defending them in our own countries.

And later:

> It is of the utmost importance for the future of international economic co-operation that the United States should continue to give positive direction and leadership in reducing barriers to the free flow of world trade.

I could go on and quote more of this, but I think I have quoted sufficient to show that while efforts can be made to bring discord and frustration and impotence into an acceptable medley, acceptable to the Minister of Finance, the Minister of Trade and Commerce and the minister of external affairs, they have simply ended up in a muddle. They are very sorry for what has taken place, and they have expressed their outstanding and emphatic dissatisfaction with the policies of the United States.

Nevertheless they say we cannot do anything about it, because if we do they might slap us down. Therefore we must remain on good terms with them. This effort to reconcile the glaring barriers of United States protective policy with the intangible devices of the free trade policy of this government gives you the picture I have just outlined; it is too bad, but we cannot do anything about it.

This year there is such a hullabaloo made about the few changes in the budget that you really would think it was something. The budget contains a very few changes. The benefits certainly are lean, and they will not bring the kind of relief the taxpayers have been looking for. They have been looking for an increase in their exemptions and a considerable reduction in the hidden sales taxes of this country. Changes of this kind would have made an immediate and, I would say, effective improvement in the financial position of the average taxpayer in this country. Particularly if they would allow greater exemptions up to the $5,000 a year wage earner it would give immediate relief.

The budget is deceptive because in it there appears to be a great deal but in reality it gives very little. Its augmentation of the pay cheque of the average worker will scarcely be noticed. It is also an insincere budget because it enters the field of deficit budgeting in order to take care of a condition the existence of which the government denies. It will lengthen the life of the inflationary situation in which we are living and which has such a dire effect on the living costs of those who are on fixed incomes.

The government should be ashamed of themselves for the plight in which they have placed these people. They have allowed inflation to take place; they have allowed prices to rise and spiral. Everyone else has been in the position where they have had their wages

increased and have had allowances made to them, whereas these people must subsist on what they were expected by this government to live on some 10 or 15 years ago. True, there has been a little added, even to the soldier's pension. The Minister of Veterans Affairs (Mr. Lapointe) probably summed it up right when he said, "A little more for the soldier"; just a little and that is all.

Of course we all know that it is too soon to expect alluring programs of continued prosperity, pie in the sky and job security. These things must wait for an election year. The taxpayers know by now that they cannot expect these things at present because it is too soon for the promise of an improvement in financial conditions that will be offered as bait for votes. Probably that promise will come next year. We can hope it may be next year. For the sake of the people of this country I hope it is. However, financially the budget itself is a dud.

Everyone is anxious that our economy shall continue to expand. While the economy is now in an apparently healthy condition, this condition will not continue unless business expansion accompanies it. Such an expansion will spur a general activity which will create new employment. The reappearance of unemployment every year can no longer be regarded as of only temporary concern in view of its increasing proportions and lengthening periods. The recurrence of unemployment every year is extremely ominous.

Everyone seems to indulge, year after year, in giving a name to the budget. Some call it an alluring one. Some call it ambidextrous because one hand does not know what the other hand is doing. I think the hon. member for Eglinton started out by saying that it was a budget of crumbs. He probably made a mistake and should have said that it was a crummy budget. I probably would accept the Minister of Finance's own description of it. An article appeared in the *Telegram* of April 16, when the furor took place about the other convention that was being held and some reference was made to Trotskyites or something like that. I do not know the interpretation of these academic questions. I read the article and after I read it I said to myself, "This is an amazing statement to come from the Minister of Finance", so I read it again. The article reads in part as follows :

> The Finance Minister called his recent budget "a pain, ordinary Liberal budget," not "a fantasy of imagination or a stand-pat budget."

I think everyone will agree that it is a pain budget because everybody in the country has a pain from it or is going to get a pain from it sooner or later. As he said, it certainly is not a fantasy of imagination, because if you have a pain, there is certainly no fantasy about it and it is not imaginary. It is not a stand-pat budget—and again he has aptly described it—because if you have a pain, you do not stand pat; you do something about it. I therefore think we will probably let the budget go at the Minister of Finance's own interpretation of it, namely that it is a pain, ordinary Liberal budget.

I probably could go a little bit further with the Minister of Finance. The other day he was speaking to a luncheon club and made some reference to the coming provincial election, particularly to Premier Frost's 14 points that he had read in the newspapers. He said he was "astonished" at the premier's claim that his government was responsible for old age pensions at the age of 70 without a means test, and he wondered when one starts to rewrite history. The Minister of Finance ought to know that very well, because that is all the Liberal party have been doing during their existence. They have been rewriting the policies of the Conservative party ever since confederation. Not only that, but they have revamped many of the Conservative party's policies, have filched them from their niche of proven worth and time-honoured tradition and then have masqueraded them in a cloak of simulated free trade. What a predicament!

While I am at it, let me just say this to the pesky lot of free traders over there who ever since confederation have deluded the people by adopting all the protective policies which the Conservative party introduced in this country, disguising them or dressing them up, and then parading under them as if they were free trade policies. The references made by the Minister of Finance the other day when he was outlining a few of the outstanding finance ministers who had functioned in this great dominion and who did yeoman service, brought back to my mind certain things which happened and which cause one to do a little bit of thinking.

The minister mentioned the great finance ministers of the Liberal party since confederation. He also went on to mention some of the finance ministers of the Conservative party. One stood out in his mind and stands out in mine, because for a while I thought the day of political and intellectual honesty had departed. But here was a man who, because of his strong convictions at the time of the reciprocity campaign, left his party. Because he was conscientious, had firm convictions and a grasp of the circumstances of the situation he left his party and came over to the Conservative party.

The situation was repeated when the conscription issue was before the country in 1917. There was some soul-searching taking place, and there were those who walked from the government side of the house to the opposition side and those who crossed from the opposition side to the government side. They were showing the calibre of men there were in those days. Indeed, one does not like to see dissension taking place in any party or turmoil raising its ugly head in any organization, but it was heartening to see the action of the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) when he came to the decision a while ago, in good faith, that he must come to a parting of the ways with his party. I said to myself, surely this is a return to the days when conscience possessed each member and they could not live with themselves unless they did the honest thing.

I hope there will be a return to probity of conduct when each one will follow the policies he feels in his heart he should support, when there will no longer be any camouflage in this house or in the country. I said to myself, well, I guess others have offered up a prayer with me that honesty shall prevail.

In the short time I have been in the house I have listened to individual members on the government side stand up and give voice to utterances that are nothing but pure Conservative doctrine and policy of protection. They talk about the Conservative party all the time as the high protection party, but they only want for the nation protection that will give work to our citizens, that will keep them working and keep the wheels of industry turning. Surely this is the time there should be a grand exodus from the government side of the house to this side, because if these members were honest with themselves over 40 per cent of them would be over here with us fighting for the things their people need, and not hiding behind a simulated free trade cloak that is nothing more than protection. They are all giving vent, in some shape or form, to some protectionist policy or protective idea for the good of their ridings or for the good of the country, and eventually the Liberal party will be found out.

There is something in Abraham Lincoln's statement years ago that you may fool some of the people all the time and all the people some of the time, but you will not fool all the people all of the time. I think the day is near at hand when the people will waken up to what the Liberal government is doing to this great dominion. I should like to review a few of the things that have been done by the Conservative party, not necessarily by the federal party but also by the party provincially. The reason I do so is that the Toronto *Daily Star* had an article a few days ago headed, "Mr. Frost Steals the Credit", which reads in part as follows:

> Three of Mr. Frost's 1955 election planks are old age pensions, housing and the St. Lawrence waterway.

The article goes on to say that the federal government was responsible for these things. Mr. Frost is not stealing the St. Lawrence waterway, national housing or old age pensions. These all had their genesis in the Conservative party.

Some hon. Members: Oh, oh.

Mr. Small: Yes.

Mr. McIlraith: Do you know any more jokes?

Mr. Small: I have heard donkeys bray before. I will give you a few more in case you want another laugh.

An hon. Member: Give us a good one this time.

Mr. Small: Sure. They consolidated the Canadian National Railways. Laugh that one off.

Mr. McIlraith: They were going to amalgamate them at one point, too.

Mr. Small: Unemployment insurance originated with Mr. Bennett. Then there is the province of Ontario, workmen's compensation and the hydro system. I suppose you will be delighted to hear that the national housing scheme, for which you take so much credit, germinated in the fertile brain of Tommy Church. You can laugh that one off too.

Some hon. Members: Oh, oh.

Mr. Small: You are entitled to laugh. In the predicament you are in you need to laugh.

An hon. Member: Back to the barn, my boy.

Mr. Small: Let me cover the situation as far as the St. Lawrence seaway is concerned. This undertaking was not brought about overnight by the government.

An hon. Member: It has been there a long time.

Mr. Small: May I remind you that the fight for this project was commenced about the same time as the hydro project in Ontario, over 50 years ago. It was a Conservative government in the province of Ontario that kept it alive. There were a goodly number of conscientious Liberals identified with it from time to time, but the outstanding

protagonist of the project in those years was Adam Beck. At that time the *Evening Telegram* was the most outstanding proponent of public ownership through its brilliant editor, John Robinson, and its owner, John Ross Robertson. They kept the campaign going over the years, and associated with it were Joe Oliver, Tom Foster, Tommy Church, Reg. Geary, Alf. McGuire, Tom Hannigan from Guelph and a number of other individuals from the United States, whose names I have forgotten for the moment, who were greatly interested in the deep-sea waterway.

The power barons in Montreal were most desirous of seeing that the project did not come to fruition. Through years of frustration these people carried on the fight. It was very discouraging, but finally those in the province of Quebec, who thought their interests were going to be hurt, decided they would throw in their lot, making it possible to reach an agreement. Then came the lobbyists in the United States who were determined that the seaway would not be built. The only reason the project is going ahead today is that we have to have the iron ore of Ungava transported through the seaway and across the great lakes to replace the high-class iron ore that has been exhausted in the United States Mesabi range. That is the only reason the St. Lawrence seaway is being constructed today. If you want to know why it is coming into being the reason is the efforts of Conservative governments in the province of Ontario under James Whitney, William Hearst, Howard Ferguson, George Henry, George Drew and Leslie Frost. They are the ones who should get the credit for the seaway. That is a basic fact. They can take the credit for it.

An hon. Member: A stout effort.

Mr. Small: I think I have said sufficient. I could go on. Probably I had better give you another little tidbit that will do your hearts good. In 1944 the Toronto *Daily Star*—

Mr. Knowles: Was the Conservative party responsible for that, too?

Mr. Forgie: May I ask the hon. member a question? Will he explain to the house, while he is on the question of hydroelectric power in the province of Ontario, why it is costing the people of the province $450 million to make the changeover from 25 to 60 cycles, and who was principally behind that, when he is talking about Sir Adam Beck?

Mr. Drew: Perhaps I might answer that on a question of privilege.

Mr. Forgie: I should like to hear the answer.

Mr. Drew: I should like to very much. It was the Liberal government of Mitchell Hepburn that held the thing up and created that tremendous cost.

An hon. Member: No, it was Sir Adam Beck.

Mr. Forgie: May I reply to the Leader of the Opposition, Mr. Speaker?

Mr. Deputy Speaker: Order.

Mr. Small: I think you should refrain from sticking your neck out any farther. Let me read you an editorial appearing in the Toronto *Daily Star* of July 25, 1944:

> On December 22, 1942, Mr. John Bracken made his radio debut as leader of the Progressive Conservative party. Said Mr. Bracken: "Every human being that is born into our society has a right to feel that he is welcome in it . . . and that, in the event of old age, ill-health or other misfortune overtaking him, he will have the assurance of a reasonable standard of social and economic security."
>
> In the following February, the Progressive Conservative leader made another speech in which he declared: "The human family is our greatest asset. There are 11,500,000 human souls in Canada. Some come into the world handicapped from the beginning. Many grow up ill-nourished. Some die at an early age. It is reported that there are a third of a million sick on the average every day, and that the sick bill comes to $300 million a year. We have made a poor job of conserving and developing our human resources. We must increase the preventive services. We must make ours a race of healthy and efficient men and women."
>
> These and many similar statements which Mr. Bracken has made in the period which has since elapsed are in accordance with the purpose which was allegedly to be served by reforming the old Conservative party. It was to become progressive. It was to favour "a reasonable standard of social and economic security". It was to support social service measures. Well, it has now the opportunity to support two of these—children's allowances and a national health service.

I want you to get this.

> But Conservative papers are already fearful about the cost, and there are indications that the party will oppose one or both of these bills in parliament.

Who is worrying about the cost? Is it the Conservative party that is worrying about the cost? Neither we nor any other party in the house except the Liberals are worrying about the cost.

An hon. Member: No.

Mr. Small: You sing a different tune when the matter is laid on your own doorstep. More than that, you have been sailing this Liberal scow with the chart that was given to you by William Lyon Mackenzie King in 1919 when he espoused, as one of the planks in his platform, a national health

program. The clipping from which I have quoted was dated 1944, about 11 years ago, and the statement was made that the Conservative party would probably be opposed because of the cost. Yet 11 years later the government is singing the same old song, it is going to cost too much money. We could have told them that then, but they are waking up 11 years later to the fact that this is going to cost the taxpayers of Canada a lot of money. When will you get some sense and let a party that knows how run the country?

Mr. W. J. Henderson (Kingston): I am quite sure the hon. member for Danforth would have been very pleased if he could sing words of praise as a result of tax decreases levied in the 1954 Ontario budget. I should like to take this opportunity of congratulating the Minister of Finance on the fine budget he has presented to this house. I might say that his record showed that he was a master at deriving sound results, and he has not let us down with his first budget.

My remarks will take a very short time tonight, and I should like to direct them in support of those men and women who are employed in the penitentiaries of Canada. I should like to support their request for the five-day 40-hour week. I might say that I am not alone in giving this my support. I am sure my remarks are in accord with the opinion of the hon. member for Portage-Neepawa (Mr. Weir). He has spent a great deal of time investigating matters and putting forth his ideas. He has joined me in all the work I could do on behalf of these employees. I might say also that I appreciate the assistance which has been given to me by the amalgamated civil servants of Canada and more particularly the local representative at Kingston, Mr. Reid.

Referring to the situation in Kingston alone, may I say that it affects 350 employees at the Kingston penitentiary, Collins Bay and the women's penitentiary. It is not limited to the employees alone but affects the husbands and wives of these employees. As I understand government policy, it is that civil servants are given a five-day 40-hour week in areas where the five-day 40-hour week is prevalent in industry. This is the case in the city of Kingston in so far as industry and the larger companies are concerned. Civil servants in other departments in that city have been granted these working conditions.

I must admit that the Department of Justice has a problem on its hands, because these penitentiary officers are dealing with human beings. I suggest for these reasons that the type of men we need as guards, and which we have been fortunate in getting, are men of good character, alert, considerate and able to stand tension. In order to get this type of individual to work as a guard in the penitentiary we must be able to at least compete and have equivalent working conditions with other kinds of employment.

These men who work as guards and in other positions in the penitentiaries are working under hazardous conditions, and under great tension. As a result of tests it has been shown that the greatest cause of sickness and death amongst the employees of penitentiaries has been hypertension. This is another reason why these employees should have long periods of relaxation.

In order to put the five-day 40-hour week into effect I realize that additional employees would be required, with the resultant additional expenditure of funds. You cannot lock up human beings over the week end and let everybody go home. It has been suggested to me that there might be a shorter work week, without the inmates being locked up for additional time, if the shops were closed on Saturday morning, housekeeping activities such as haircutting, baths and clothing changes could be effected, and Saturday afternoon and Sunday left for recreational purposes. With a system of alternating the essential officers and increases in the number of custodial officers only, a shorter work week could be put into effect. Another point would be that the five-day 40-hour week would result in happy, contented guards, and I am quite sure this system would bring about, indirectly, the rehabilitation of the inmates. I am quite sure that happy, contented guards would impart the same feeling to the inmates of the penitentiary.

In conclusion, Mr. Speaker, I appeal for the five-day 40-hour week for the penitentiary employees. I might conclude by saying that would be most difficult for any member of this house to explain to the wife and family of a guard, whose job is tense and hazardous and who cannot spend two days out of seven at home, why the man next door, who is employed at a desk job by another department of government, is able to spend two days out of seven at home with his wife and family. I hope this suggestion will obtain some results.

I wish to adjourn the debate, Mr. Speaker.

On motion of Mr. Henderson the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue with this debate tomorrow, and if it is concluded we shall go on with item No. 3 on the order paper concerning the Toronto Terminals Railway; item No. 4, the Veterans Benefit Act; item No. 5, the Government Employees' Compensation Act; item No. 10, the Precious Metals Marking Act and item No. 9, the Municipal Grants Act.

Business of the House

Mr. Knowles: May I ask the minister a question? When he says, "if the debate is concluded", does he refer just to the stage with the Speaker in the chair or to the consideration of the resolutions in committee?

Mr. Harris: No, just with the Speaker in the chair.

It being three minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, May 10, 1955

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

Eighth report of standing committee on railways, canals and telegraph lines.—Mr. McCulloch (Pictou).

BROADCASTING—CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. Pierre Gauthier (Portneuf) moved that the first report of the special committee on broadcasting, presented on May 9, 1955, be now concurred in.

Motion agreed to.

GRAIN

CANADIAN WHEAT BOARD—BOARD OF GRAIN COMMISSIONERS—REFERENCE OF REPORTS TO COMMITTEE

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, by leave of the house I move:

That the report of the Canadian wheat board for the crop year 1953-54, tabled on February 23 last, together with the report of the board of grain commissioners for Canada for the year 1954, tabled on April 6 last, be referred to the standing committee on agriculture and colonization.

Motion agreed to.

EXTERNAL AFFAIRS

SALE OF STOCKS IN UNITED STATES—REPORTED INVESTIGATION BY UNITED STATES COMMITTEE

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Justice. Has the government been informed by Senator Alexander Wiley, chairman of the American Senate foreign relations committee, that stock racketeers are peddling phony securities from Canada to American investors? If so, what action is the government taking, and are such phony securities being peddled in Canada?

Hon. Stuart S. Garson (Minister of Justice): Ordinarily communications of this sort coming from representatives of another country are addressed to the Department of External Affairs, and I think it would be more appropriate for my hon. friend, the acting minister, to reply to the question.

Hon. Paul Martin (Acting Secretary of State for External Affairs): Mr. Speaker, the government has not received any official information to indicate that a United States congressional committee intends to investigate the sale of stocks from Canada in the United States. However, Senator Wiley, the minority leader in the Senate committee on foreign relations, wrote the Canadian ambassador on April 16 asking for the opinion of the Canadian government on ways and means by which our respective nations can further co-operate towards the end of protecting investors. I do not think it would be appropriate or helpful for me to comment on a possible Senate investigation until we are in receipt of definite information that such an investigation in fact is planned.

Mr. Argue: Is any investigation being considered in Canada?

Mr. Martin: I should think that normally that might be a question for the attorneys general of the provinces, but as this aspect of the matter more appropriately concerns the Department of Justice I might throw the ball back to the Minister of Justice.

Mr. Garson: Mr. Speaker, this almost seems like a tennis game. My hon. friend the acting minister of external affairs is quite right in his suggestion. The responsibility for the administration of the security laws which are passed by the provinces is that of the provincial authorities, as is also the responsibility for enforcement of the Criminal Code. Therefore it is only in those cases in which extradition is being sought of some American offender who, having escaped into Canada, has been apprehended here, that the facilities of the federal department are invoked.

SUGGESTED INTERVENTION TO SECURE RELEASE OF 16 POLISH WAR VETERANS

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I put a question to the Acting Secretary of State for External Affairs? On April 26 I asked the Secretary of State for External Affairs if he had received from the Polish ex-combatants' association in Canada an appeal that the government intervene to seek the release of 16 war veterans who were leaders of the underground movement and who have served terms of imprisonment imposed by the Russian authorities, which

terms have expired. May I ask the Acting Secretary of State if he has now received from the rally of the Canadian Polish congress held in Toronto last Sunday a similar appeal and, if so, what action the government proposes to take on this very meritorious appeal?

Hon. Paul Martin (Acting Secretary of State for External Affairs): I have been advised that as yet no request of a formal character has come from any Canadian Polish organization in Canada to inquire about the fate of 16 Polish underground leaders who were arrested by the Soviet union in 1945. The government, however, is very much interested in finding out what has happened to these men. Some are believed still to be imprisoned in the Soviet union, although the sentences imposed upon them in 1945 should by now have expired, and others may be in jail in Poland. Hon. members may have noticed newspaper reports of a request made by the United States government to both Poland and the Soviet union on April 21 for information about the fate of these men. We expect to receive further information about the progress of this inquiry.

DOMINION-PROVINCIAL CONFERENCE

AVAILABILITY OF COPIES OF REPORT OF PRELIMINARY MEETING

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): May I ask the Prime Minister when copies of the report of the preliminary meeting of the federal-provincial conference, which has been printed and was distributed to the press last week, will be made available to the library, the distribution office and members of the House of Commons?

Right Hon. L. S. St. Laurent (Prime Minister): There was a report printed of the public meeting that was held. I was under the impression it was available to any member of either of the houses of parliament who might be interested in securing it. I will ascertain if that is the case, and if so I will let the hon. member know to whom he may apply for a copy.

POLIOMYELITIS

INQUIRY AS TO CONTROL OF VACCINE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Minister of National Health and Welfare. Can the minister give assurance, in view of the experience in the United States in connection with polio vaccine, that all sources of vaccine allowed for distribution in Canada will be under strict government control?

Hon. Paul Martin (Minister of National Health and Welfare): I suppose by "government control" my hon. friend wishes to imply, has the government taken steps or is it taking steps to make sure that a strict investigation is made of the imported vaccine. The answer is yes.

GRAIN

REQUEST FOR ANNOUNCEMENT OF INITIAL PAYMENT

On the orders of the day:

Mr. D. S. Harkness (Calgary North): I should like to direct a question to the Minister of Trade and Commerce. When will the minister be able to make the announcement which, up until last year I think, was nearly always made before the end of April as to the initial price of wheat, oats and barley for this coming year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): My hon. friend is quite mistaken about that announcement usually being made in April. It is usually made about the first of July.

Mr. Harkness: It was last year, but it was not in previous years. The minister has not answered my question as to when we might expect that announcement.

Mr. Howe (Port Arthur): I will consult with the wheat board and later with my colleagues, and endeavour to make it as soon as conditions warrant.

WHEAT—REQUEST FOR STATEMENT AS TO FINAL PAYMENT AND GRADES, 1953-54 CROP

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Possibly the minister will be able to say when the farmers will find out how much they are going to get per bushel for the 1953-54 wheat crop?

Mr. Howe (Port Arthur): The cut-off was made on April 29, Mr. Speaker. The auditors of the wheat board are working night and day endeavouring to ascertain the value of each of the many grades of wheat. The price, of course, results from a mathematical computation and nothing else. As soon as the mathematics are finished, the results will be announced.

Mr. Diefenbaker: Will the minister allow this further question? Now that they are going to have a summary of the various grades of wheat that are on hand, would the minister be in a position, after they have

that, to furnish the house and the country with a record of the amount of wheat of different grades that is actually in storage?

Mr. Howe (Port Arthur): Well, Mr. Speaker, I take it my hon. friend is referring to his question on the order paper, and that question is being dealt with.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Monday, May 9, consideration of the motion of Hon. W. E. Harris (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell.

Mr. A. R. Lusby (Cumberland): At the outset, Mr. Speaker, I should like to add my congratulations to those numerous congratulations which have already been extended to our new Minister of Finance (Mr. Harris) during the course of this debate, both upon the content of his budget and upon his very excellent presentation of it. It is natural, I think, that anyone from Nova Scotia should have a particular interest in the finance portfolio. First, of course, we have a strong Scottish leaven in our population, and as you know the Scot is a notoriously canny financier. Secondly, if you consider the list of distinguished men who have held that portfolio from time to time since confederation you will find that on that list there is a surprising sprinkling of the names of Nova Scotians, beginning with Tupper and coming down to as recent a time as Mr. Ilsley's. Consequently, we from Nova Scotia have a very particular interest in any incumbent of that position. I think I can pay the present minister no higher compliment than to say that on the basis of his budget he has left no room whatever for doubt that he is a worthy successor, not only to his immediate predecessor the Hon. Douglas Abbott, but also to all those capable and distinguished statesmen who have in the past carried out the onerous duties which now devolve upon him. I offer him my most hearty congratulations.

Compared with the budgets of the last few years this one in contemplating a deficit has an element, I think, of boldness, of experiment and of flexibility. Certainly it should silence that cry which we occasionally hear from the opposition benches that this administration is too set in its ways ever to depart from the beaten path. I think this is a departure. Then, too, in the light of the public reception which this budget has been given I think it has been amply demonstrated that this government is still intent upon carrying out the wishes of the people, a fundamental principle of our democracy. In spite of whatever the opposition may choose to say, my observations over the course of the last few weeks have convinced me this is definitely a popular budget. It has received considered approval from the vast majority of Canadians and, whatever opposition members may choose to think, the people are usually right—or else how could our democracy survive?

Indeed, when I contrast the public reception which has been accorded to this budget with the railing from the opposition benches against it—here I am not in the least impugning their right to rail, and perhaps it is even their duty—I am inclined to wonder how the opposition members could dare to trust in the validity of their own arguments. Naturally, when the budget debate is on, the order of the day in the opposition ranks is, "curse the budget", if I may say that. But I wonder if many of the opposition stalwarts, as they go to work loyally in this debate, have not entertained feelings somewhat akin to that ancient biblical character Balaam, incidentally a false prophet, when he was invited to curse Jacob and defy Israel. He did not fancy the assignment. In any event, to curse what the people have not cursed, to denounce what they have approved, is never an easy task in a democratic country such as this, and those who are attempting it are meeting, I think, with a deserved lack of success both within this chamber and without.

In my opinion, this budget has gained the approval of the intelligent and informed citizen in this country, not primarily because it represents a substantial saving to him in income and other taxes but because he is firmly convinced that these changes which it has brought about will achieve their primary purpose of stimulating the national economy. I agree with that belief; I expect these changes to exert a substantial influence in this regard by virtue of the additional purchasing power which they make available. As the minister indicated in presenting the budget, national fiscal policy is an important means of promoting economic stability and expansion. I am convinced that in his capable hands it will prove to be an instrument skilfully and successfully applied for that purpose.

There are one or two points upon which I am not entirely in accord with the provisions of the budget. For example, I should have preferred to see the special excise tax on soft drinks and the like eliminated or at least further reduced, so as to avoid any suggestion of unfairness. Not strictly in the budgetary

field but arising out of the measures taken there, is the question whether, in view of the reduction of 5 per cent in the excise tax upon automobiles, the dealers across the country should not be given some relief in respect of any losses they have sustained in connection with vehicles purchased by them before the budget was brought down. I realize that the decision of the Department of National Revenue, as announced by the Minister of Finance, is in line with the usual policy in such situations. But I have since had representations from a number of dealers in my constituency, and I suppose the situation is very much the same all over the country, and I find that substantial amounts are involved in each case. And as between the practical impossibility of making a rebate in every case of a reduction in excise or sales tax and the exigencies of the situation in which the automobile dealers now find themselves, it is my thought that possibly, without setting any binding precedent, some suitable ground of compromise might be found in this instance.

In presenting the budget the Minister of Finance (Mr. Harris) made an announcement to which, as a representative from a maritime constituency, I pay particular attention. That was the announcement that a royal commission is to be appointed to examine carefully into and report upon the future economic prospects of this country. The minister has mentioned among the contemplated aspects of the commission's work such matters as the charting of probable developments both in our productive capacities and our external markets, an examination of population growth, and the magnitude and nature of our future requirements. Although, as he said, it is not intended that the commission shall make a long series of detailed policy recommendations, I assume that one of its fundamental purposes will be the assembling of material upon which the government may base its economic policies of the future.

It seems to me that this sort of national inventory and stock-taking at this time with regard to our economic future is an excellent project indeed. And in this connection I should like to point out that one of the greatest of the internal problems which this country faces, and must continue to face, is that of effectively maintaining a reasonably equitable balance of economic development and activity in all its parts. I said a moment ago that as a representative of a maritime constituency I took a particular interest in the minister's announcement that this commission was to be set up. Why? Because I see the possibility that through its work may come some positive indication as to how this government, in conjunction with our maritime provincial and municipal governments, and all other bodies which may be concerned, may best work in order to ensure for the maritime provinces their fair share in that mighty economic and industrial development and expansion already far under way in so many parts of this country—a development and expansion which, barring perhaps the disasters of war, will continue as surely as the sun is going to rise tomorrow.

In its over-all national aspects, our future is such as to rejoice the heart of every Canadian. But I need hardly say, Mr. Speaker, that it is of relatively little importance to an unemployed coal miner in Nova Scotia, for instance, to know that the oil industry in Alberta is flourishing, and its prospects are bright. And I have referred to the oil industry only as an example. It is imperative that some means be found, some policy adopted, which will ensure to the maritime provinces a fair share in the prospective national economic and industrial development, a reasonable level of prosperity as compared with those provinces which, by virtue of greater population, central geographic position—which is one of the most important items—endowment of natural resources, or other advantages which we in the maritimes lack, are now far in the lead.

Perhaps I should say here, Mr. Speaker, that I do not wish to be accused of pessimism. I am not at all unmindful of the many bright spots in the maritime picture. Just last night the hon. member for Gloucester (Mr. Robichaud) gave us a description of the astounding development of base metal mining in northern New Brunswick, which is now in assured and immediate prospect. That is perhaps the most encouraging event that province has ever seen. The intensive search for similar metals in Nova Scotia, which has been carried on for some time and is still being carried on, gives ground for hope that at least to some extent we may enjoy a similar boon.

It is my firm belief, too, that in the years ahead our forest industries, our fisheries and our tourist trade will grow to be of increasing importance, and will reflect a far higher level of activity than has generally been the case in the past. Nor am I one to fear that any development in some other part of Canada—and at the moment I am thinking particularly of the St. Lawrence seaway development—taking the long-term view, will injure us in the maritime provinces. My view is entirely to the contrary.

But in certain aspects, notably—and I think this is the chief one—in the field of the development of manufacturing and other secondary industries, I think it is perfectly

true to say that our economy has not overcome its traditional lag as compared with other parts of Canada.

Therefore I suggest to the Minister of Finance, to the government and to the House of Commons, that one of the first and fundamental objectives of any such royal commission as is proposed should be the assembling of all available facts and figures which may make possible the formulation of policies designed to redress, so far as conceivably it can be done, that regional imbalance of economic development, industrial activity and resulting opportunity and prosperity which now exists as between various regions of this country and which to my mind, as I have said, is one of the real internal problems which beset us as a nation.

In an earlier speech in the house during this session I made the suggestion that some permanent federal agency might well be set up or designated to keep under constant watch the peculiar difficulties with which we in the maritimes contend in our economic and industrial life and, acting in conjunction with all provincial or other bodies having the same interests, to devise and recommend such measures as from time to time may seem advisable further to overcome those difficulties.

The royal commission outlined by the Minister of Finance is not, I take it, intended to be a permanent body, or even a quasi-permanent body, although I assume its activities will be carried on over a considerable period of time. However, I do urge most strongly that it be directed during its lifetime to devote a full share of detailed attention to the economic prospects of the maritimes, the bright as well as the dark. Indeed, I think it might well set up a distinct subcommittee to deal with that aspect of its work.

One or two aspects of our maritime economic and industrial life, however, require in my opinion an entirely separate study. First of all is the state of the coal mining industry, which urgently—and I repeat the word "urgently"—requires immediate consideration. Such consideration would consist largely of correlating known facts and, upon the basis of those facts, making recommendations for action. The urgency of the situation is starkly emphasized by the threatened closing of No. 1-B colliery at Glace Bay, Cape Breton, which is one of the most important coal mines in the province.

We know of course that the first problem of the coal industry in Nova Scotia is the increasing competition from other fuels. We also know, however, that coal is still the chief source of fuel energy in Canada, and that in the event of war assured Canadian sources of supply would become vital at once to the safety of this country.

In certain fields, such as that of the coal fired gas turbine engine, there is the prospect—unfortunately at the present time it is not much more than that—that coal may again become fully competitive with oil. There is the possibility that new and more efficient processes may be discovered for the extraction on a commercially profitable basis of the endless variety of chemicals and other by-products which are known to be available from coal.

Then we have the often repeated forecast of the dominion coal board that by the middle 1960's, if our coal industry survives the difficult intermediate period, Canadian industrial expansion, in spite of the inroads of other fuels, will provide an assured market for coal sufficient to maintain activity in our mines at least at something like its present level. I hardly need add that a coal mine once closed is very unlikely to be reopened. After considering all these things, Mr. Speaker, I submit that the preservation of the Canadian coal mining industry—and I of course am thinking more of the Nova Scotia segment of it, upon which the livelihood of perhaps a fifth of our total provincial population depends—is a matter of national concern and merits the utmost efforts of all, management, labour, the provincial government and the federal government. Each one of these has its part to play if the industry is to be preserved.

If the forecast of the dominion coal board is correct—and I think for the present we must assume that premise—the problem is to tide the industry over the difficult years immediately ahead. I suggest a concerted effort by all those concerned to devise a workable plan for the preservation of the industry at approximately its present level over that period. Call it a ten-year plan, if you like. That may be slightly reminiscent of our friends in Russia, but certainly if such a plan can prevent poverty and unemployment in the coal industry you cannot find a better defence against the inroads of communism.

Another matter which is of some concern, at least of some interest, to the maritimes—and which I strongly think deserves a separate study by a separate royal commission—is the construction of the Chignecto canal. Such a study would determine once and for all the benefits which might reasonably be expected to accrue to this country and particularly to the maritimes if the canal became a reality. No such commission has been appointed by the federal government since the

1930's. In view of the great changes that have taken place, I believe a thorough study of present-day conditions should be made by such a commission. Once and for all it would settle the question whether the benefits which would accrue would justify the cost of construction and maintenance. I have urged before in this house the desirability of such a study by such a commission as the only proper means of settling this long-standing question. Only the other day my friend and colleague, the hon. member for Westmorland (Mr. Murphy), whose constituency, when the canal is completed, will be on the bank opposite to mine, raised the matter at some length in this very debate. I have no wish to repeat the statistics which he has placed upon the records of the house from time to time, but I do wish to say that there are weighty arguments in favour of the canal which deserve the careful and sympathetic consideration of a competent and authorized body.

Before I conclude, Mr. Speaker, I should like to say I am happy to note that the budget makes several tariff reductions which will be of benefit to this country's farmers. Agriculture remains, in my opinion, the real foundation of this country's economy. I should like at this time also to commend the Minister of Agriculture (Mr. Gardiner) upon the further extension of the price support program for butter, a measure which is of very real assistance to the dairy farmer.

In my constituency the role played by the federal Department of Agriculture in the promotion of efficient farming methods is particularly well known because we have a dominion experimental farm at Nappan, on the very edge of the marshlands which are the subject of the maritime marshlands reclamation project. During the Easter recess I had an opportunity to visit the farm and to find out something about the work that is being carried on there in order to promote the raising of beef cattle, not only on those marshes but elsewhere in Nova Scotia. In fact, on that very day there was a well-attended group meeting there of farmers interested in these subjects. It was just a coincidence that I was there.

Since it is highly desirable that the most profitable use available shall be made of the reclaimed marshlands, I hope the department will continue to carry on and expand its research into the possibilities of beef raising on those lands as well as on other lands in Nova Scotia.

In conclusion, I should just like to say that the work of such a royal commission as the Minister of Finance has in contemplation would certainly be far from complete if it did not include as one of the most important items on its agenda a thorough study and assessment of the future prospects and possibilities of agriculture in every part of this country where arable land is available.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I do not propose to traverse much of the ground which has been covered already. However, there are a number of matters to which I intend to refer which up to the present moment have not been dealt with or, if dealt with, have been dealt with only generally.

I want to say immediately to the minister that I congratulate him on having brought in his first budget; as Harris came in, Lord Keynes went out. There has been a complete transition in the philosophy that heretofore activated the government, a change of point of view, an alteration of direction and in effect an admission of the validity of the criticisms which we of the official opposition have been advancing in recent years.

At the beginning I am just going to say a word in regard to employment. Strangely enough, there has been no serious answer from the government regarding the unemployment problem that still fills the hearts of many Canadians, no answer whatever as to what is to be done now by the government, except a speech by the Prime Minister at the dominion-provincial conference as to what is to be expected at a further meeting to take place this coming fall between the federal and provincial authorities. For some reason or other the plans of 1945, the green book of that day and all that it stood for and the principles which in a measure contributed to the success of the government at the polls in two subsequent elections, now have been set aside, departed from, forgotten. Indeed, the great and abiding principles that were to bring about a new millennium in dominion and provincial relations now have been embalmed in the records of history.

I intend to make a general reference to the budget, and to mention a few suggestions as to matters that might be dealt with and should be dealt with at this time. First, I wish to make reference to a purely western condition. After years of drought periodically occurring in the western provinces, today we in Saskatchewan, and to a lesser degree in Manitoba, have suffered a disaster, the like of which I have not seen in the many years that I have been in western Canada. During the days of the 1930's larger areas were devastated by drought; now there is need of immediate action by the federal government because of floods. I see no reason why there should be such unnecessary delay in determining whether or not what has taken place

is a national emergency. I believe that what has taken place in Saskatchewan, and to a lesser degree in Manitoba, is far and beyond any responsibility that should rest upon the provinces. The costs of rehabilitation should be assumed in considerable measure by the federal government.

There were great hopes on budget night. The minister made his speech and reports went across the country that income taxpayers would save 13 or 14 per cent across the board. However, when examined in the light of the actual circumstances and reviewed carefully, as it was by the hon. member for Greenwood (Mr. Macdonnell) in his opening speech, the hopes of budget night have been dissipated in subsequent days.

The sales tax stays upon the needs of the home and upon almost everything but food. The hon. member who has just resumed his seat referred to the help being given to agriculture in the tariff reductions. There are a few reductions which will benefit limited areas of agricultural endeavour, but generally speaking the budget holds out no material benefit for Canadian agriculture or for reductions in the cost of production of Canadian agriculture.

As far as the income tax is concerned, the meagreness of the reductions will be realized only when the deductions commence to be made—small, trivial, unimportant. The reduction in the excise tax on automobiles is a worthy step, but it is only a step. With automobiles being the necessity they are, a 5 per cent reduction in no way meets the situation and the government ought to have gone considerably further than they did.

As I mentioned a moment ago, the sales tax remains, and the taxes on television and radio remain. The costs of government are on the increase in every department of government as far as I can read the record, with the exception of agriculture, defence production and national defence. There are increases in expenditures when there should be reductions. Agricultural expenditures are reduced by some $25 million; defence production by $28 million; and national defence by $118 million. The total reduction in expenditures this year for all departments is $95 million, which indicates that in the other departments of government there have been substantial increases.

I think one of the purposes of this budget was to spread plenty of little among many, not to attack the need for immediate action to be taken which would bring about the restoration of lost markets and provide an impetus to trade within our country by reducing costs through lower taxes, but simply to thinly spread a series of small benefits to the few. The budget will not have the effect of bringing about a restoration of impetus and an encouragement to initiative.

Some have spoken of Canada receiving a shot in the arm by the budget, but on examination it is shown that what Canadians have received from this budget is merely a scratch on the arm. There has been plenty of little spread among the many but without sufficient emphasis in any particular to encourage the expansion and development of industry.

Costs of government have not been cut. I should like to quote what Mr. J. A. Calder, president of the Canadian Manufacturers Association, said in a statement he made in St. John's, Newfoundland. The article states:

> He said that in five years, from 1948 to 1953, government spending rose to 18·1 per cent of the gross national product from 11·5 per cent.

He went on to point out that corporate taxes had not been reduced to any extent. I remember so well past years when Mr. Abbott referred to the dangerous situation when corporate taxation was exacting almost 50 per cent of the amount being made by corporate business. Such high taxation establishes a socialist system under the free enterprise system. Mr. Calder went on to say that there were not sufficient economies in government; there was no lowering of corporate taxes which would attract more venture capital which would mean increased productivity and lower prices, which would mean increased sales, which increased sales would more than offset any loss of government income.

The government has chosen to do very little at a time when drastic action is necessary. There are three or four things which I think the government could have done at this time and should have done. I have mentioned one, the removal of the sales tax upon the needs of the home. The cost of living continues to rise. According to the records of the bureau of statistics of May 4, there had been an increase in the previous month to 116·1 from 116. It reports rising prices for flour, tea, eggs, potatoes, fresh fruits, gasoline, etc. There can be no justification for the maintenance of the unusually high sales tax upon the needs of the home.

What business needs to meet the challenge of international markets, of improved techniques of production, is tax relief for programs of research. West Germany is once more in the family of nations, a step forward which may establish the certainty of peace in Europe, an act of faith which is already having its effect. It must be realized that West Germany is the third trading nation in the world, and as she will now be free to establish her steamship lines, her air lines and

the like, the competition of recent months and years is bound to be intensified.

Last year business in the United States spent more than $3,000 million upon research designed to enhance competition in export markets, to preserve the domestic market against the competition of low-economy countries, and to meet the problem of dwindling resources. Canada can do no less. The government of this country should give encouragement to research development on the part of industry by extending the degree by which such expenditures may be deducted when determining liability for income tax. If Canadian industry is to compete it cannot afford to be a mere rubber stamp producer of commodities developed by research in the United States. Encouragement should be given to an extension of the field of research so that expenditures in that direction may be deducted as a proper expense.

Third, one means of encouraging the expansion of jobs is to encourage industry to expand its physical equipment in the form of buildings, machinery and the like. That can be achieved and was achieved during the days of war by accelerated depreciation allowances. The same course is needed now to provide the encouragement that expansion will assure and also to increase employment within this country.

Statisticians say that it requires a million dollars of capital investment to provide 117 extra jobs. If all the savings that are to be effected this year by the 2 per cent reduction in corporation tax were translated into jobs, it would mean an increase of only 3,000 jobs in toto. If the government would give encouragement to industry to expand in this way, many jobs would be created.

Fourth, I regret that the minister has not seen fit to reform the obsolete, unjust and unjustifiable provisions of the succession duty act. There is an act that represents in some particulars a disregard of the rights of the individual. There are anomalies. Anyone who has had experience with the operation of the act knows of them. There is the injustice that affects many people in this country, whereby if one's share is $1 less than $50,000 there is no liability, but if it is $1 over $50,000 the full amount becomes liable to the impact of the tax. There are also provisions regarding pensions and annuities being capitalized which were never intended to be interpreted in the manner in which they are today. They have the effect of operating as a bar to the development of our country and also a discouragement to those who, through thrift, endeavour to better themselves and protect their dependents.

[Mr. Diefenbaker.]

There are many members of this house with ability that is not being used, reservoirs of capacity that are available, who understand the operation of the succession duty act. A committee could be set up of such members who would hear the representations made by the officials of his department and of the Department of National Revenue and it could recommend changes in the act that would maintain to a greater degree the equities that should prevail and would also assure to a greater extent justice in the administration of the act.

Next, I am one of those who believe that, to discourage the drift toward socialism, something should be done to encourage individuals in this country to save so as to build up their own pension systems, by permitting them within limits to deduct the annual payments they make for the purpose of providing themselves with retirement pensions. I went into considerable detail in this matter with one of the outstanding chartered accountants in western Canada, M. E. G. Gery. I would like to place before the minister not only my suggestions but those that have come from representative organizations of chartered accountants across this country.

Mr. Harris: I have them.

Mr. Diefenbaker: At the present time the employer may deduct a total contribution not to exceed $1,500 of approved schemes; for past services an additional amount regulated by the terms of the approved scheme; and in respect of retirement allowance, a lump sum payment made in the year of retirement. The employee may deduct a percentage, usually 5 per cent of the employee's wage, but in no case exceeding $1,500; and, as far as past services are concerned, an amount not exceeding $1,500 a year in respect to past services when he was not a contributor.

The privilege of tax deferment on the above basis is open only to employees of employers who have arranged for an approved scheme. The result is that many private individuals across Canada are denied an opportunity to follow a similar system—farmers and fishermen, small business concerns operated chiefly by proprietors or partners, professional men practising singly or in groups, and employed persons whose employers have not provided an approved pension scheme.

I feel that something should be done in order to encourage people of this type to do what those under approved pension systems may do, namely purchase now for their security in the future. I believe that a system could be evolved, and I would be prepared to submit to any committee set up for

the purpose a series of suggestions in that regard which would bring about equality with those in approved pension plans for those who do not come within such schemes; so that many people who are now denied the opportunity of doing that which employers and employees under approved schemes are able to do would thereby be encouraged to save and make provision for themselves for the days ahead.

I know one of the criticisms of the plan I suggest, that one type of saving should not be singled out for tax exemption. Well, it is being done now in the case of approved schemes. It is argued that a widespread extension might seriously affect the economy of the country in lowered tax revenues. My answer is that the plan evolved would have to be within restrictions and subject to regulations.

There are others who claim that it would deny expansion in our country, that it would dry up the sources of moneys that are necessary for development purposes. My answer to that argument is that such pension funds would be available to be loaned to industry and the like, in much the same way as loans are made by credit unions. I believe that, if this type of thing were brought into being and extended to the groups I have mentioned, it would be an encouragement to savings, it would pay off dividends in the future, and it would bring about equality which is being denied, when one section of the community is allowed to do this while others are denied the opportunity and the privilege of so doing.

I suggest those four matters for consideration by the government, matters that do not receive any attention to speak of in the budget. I know there are those who say we can soak the rich in this country, and that corporate taxation can be continued indefinitely. I can think of nothing that would encourage greater development today, when it is so necessary and when we face deficit financing, than a very considerable reduction in the amount of corporate taxation and an increase in the personal exemption for income tax purposes.

Look at the record, which reveals how the purchasing power of money has gone down in recent years. Compare 1938 with today. On the basis of 1938 an income of $2,000 has a purchasing power today of $1,103. Present income of $3,000 has a purchasing power of $1,567, and a present income of $4,000 has a purchasing power of $2,020. An income of $6,000 today has a purchasing power of $2,955, in every case after taxes have been paid. That indicates the answer to those who speak of the higher prices the farmer receives for his wheat compared with the prices in 1938. The other day the hon. member for Calgary North dealt with that matter and showed that one of the reasons agriculture now finds itself in a difficult position is the fact that the purchasing power of a bushel of wheat is less than it was in 1938.

There is nothing in the budget to indicate a realistic approach to conditions in Canada The government sits in its supremacy. It does not even accept any more the recommendations of its own party friends in convention assembled. When only recently the national executive of the Liberal party recommended something that we of the opposition have suggested over the years, the setting up of an administrative body to govern relations between the C.B.C. and the private stations, the answer given by the Prime Minister the next day, using the words that I had placed before him in the question, was that such a body was not desirable or necessary.

Demands for reductions in taxation have come to the government not only from the opposition groups but also from various Liberal organizations across the country, and the attitude of the government is in effect, "After all, we know what is best." The budget indicates that the government follows the myth of its own self-satisfied perfection which its publicists across Canada so often indicate it possesses, and refuses to act realistically. There is nothing in the budget that will start the wheels of industry turning. There is nothing that will bring back into employment the thousands who are unemployed.

Do we receive any reply from the Prime Minister when we ask him what is to be done for labour and the farmer and industry? What stand are you going to take, what encouragement are you going to hold out to the Canadian people? We have gone through a long budget debate. No minister has yet stated during this debate what is to be done to encourage the expansion of employment in this country. The attitude of the government is the attitude of those who, during the days of private buccaneering in the United States, used to say, "The public be damned". That has been the attitude of this government in these days. We have wondered on occasion why the government resents being criticized. They do resent it.

A few weeks ago Mr. Duncan MacTavish stated in Edmonton at a party meeting that there is no danger in the one-party state as long as the one party contains such fine men as there are in the government now. One can only say that the government did not regard that as eulogy. They regarded it as unadulterated fact. At the national Liberal

federation meeting, in the accents of dictatorship, he asked himself some questions. What about these opposition members? They speak of unemployment, and they do this in the hope of improving their chances of capturing the federal government. Has it become one of the major sins in a democracy for the opposition to believe that ultimately it will become the alternative government? Then he went on to say:

> Mischievous little boys who play with fire and cause public damage can be punished . . . But mischief committed in the guise of free speech... escapes the punishment it deserves . . .

Shades of Mackenzie King, Mr. Speaker! These are the accents of dictatorship. These are the thoughts of those too long in power. They are not only the views of Mr. MacTavish but also the views of the Prime Minister. Recall that he has not disavowed that outrageous doctrine enunciated by the president of the national Liberal federation. In a speech he made on the same occasion the Prime Minister, dealing with the criticism of unemployment, said:

> That sort of talk can easily lead to defeatist thinking and can destroy that buoyant confidence which has been so large a factor in building our nation.

Not only did the Prime Minister not disavow what Mr. MacTavish said, he actually adopted it when he himself spoke. These are dangerous views on the part of any government and reveal what happens when governments become all-powerful and remain in power beyond the term that governments ordinarily remain in power. I ask the Prime Minister: Is he going to tell the people of Canada before this debate is over what is going to be done, what plans he has in mind, what hope there is for the unemployed?

The Minister of Finance has his own views on the subject. He has even become saturated with a similar philosophy. He spoke the other day at Toronto and I have his words here. He said—and he can deny it if I misquote him in any way—that he did not believe there was much unemployment.

Mr. Harris: I did not say that.

Mr. Diefenbaker: I will find the quotation in a moment. He said he did not believe there was much unemployment because if there was the government would not be as popular as it is. I hope I have the quotation available. It has to do with a speech the minister made in Toronto within the last two or three days on the subject of unemployment, and is taken from the Toronto *Star*. I had it before but I do not have it at the moment. However, I will certainly see that the minister gets it so that he will be in a position to deny its accuracy. He could not understand that unemployment was as serious as it had been pictured to be. He could not understand that situation at all. According to the Toronto *Daily Star* this is what the minister said:

> Turning to the federal field Mr. Harris said he did not think unemployment in Canada is as bad as opposition spokesmen say it is.

Opposition spokesmen say so, and so do the bureau of statistics and the employment bureau.

> "If it were, if, as the opposition claims, people are really suffering, which I doubt, then I would like to ask the opposition how it is the government retains its popularity."

In other words, instead of admitting the seriousness of the situation as revealed by the bureau of statistics the minister says in effect, "It cannot be because, after all, look at us—a government the epitome of all popularity, the acme of all the perfections." When the people of Canada need a shot in the arm, they receive a scratch on the arm. Then the minister went on to say this:

> "I have never known a time when any grievances the people had were not reflected in their opinion of the government of the day."

That is a sorry answer to the unemployed across this country. As to the future, they are simply told that the records may reveal unemployment but so far as we are concerned, look at us; we know what is right and are the personification of all popularity.

Mr. Calder suggested the need of economy in government; what is being done in that regard? The minister mentioned economies of some $4 million out of non-defence expenditures amounting to some $2 billion. No serious endeavour whatever has been made to meet the situation. One could quote examples, and the opportunity will come when the estimates are being considered.

A few years ago Gladstone, that revered leader of Liberalism, said "Public economy is a public virtue." A mere $4 million cut off such vast expenditures outside of defence and defence production does not indicate that serious regard for economical government that ought to characterize good government. The explanation given by the minister for the reduction in national productive income was the failure of the western wheat crop last year. Trade has disappeared and our wheat exports have been decreasing during the last year. They went down last year, although in the last few weeks there has been some degree of increase over and above last year's corresponding period.

What do we find so far as the farmers are concerned? The Canadian farmer faces one of the most serious challenges to his continuance. His costs are rising and the prices of the things the farmer has to sell are going

down. During the five years between 1949 and 1954 farm costs in Canada increased by 17 per cent; living costs by 13 per cent; and farm prices in general across the board were down by approximately 21·6 per cent. The explanation given for this condition is the failure of the western farmers' wheat crop, and that is nothing but an excuse.

The western farmer suffered a serious crop failure in 1954. The farmers' income in 1954-55 has been maintained through the sale of the wheat and other grain products that were produced earlier. It will not be until this year that we will begin to realize the terrific impact of last year's failure of the western farmers' crop on the Canadian economy. One of the main reasons for the depression in the national income last year was the fact that we lost our markets abroad for wheat. The annual report of the Canadian Pacific Railway which came out in the middle of April so states in regard to the reduction of the traffic volume:

> The greater part of the reduction in traffic volume was accounted for by a decrease of about one-third in the movement of grain and grain products because of reduced export demands.

The Regina *Leader-Post* says this:

> The government budget white paper confirms that wheat export difficulties were the major factors in the dislocation of our economy in 1954.

I emphasize those words. It was not a fall-off in farm production in 1954 that caused the farmers' reduced income; but was the result of the government's inability to sell wheat. Grain exports dropped by almost $300 million in 1954, an amount greater than the total decline of all exports in 1954 of $223 million. While exports of motor vehicles, primary iron and steel and defence materials also declined, there were significant offsetting increases in other export categories. I repeat that it was not the failure of the western wheat crop in 1954 that reduced national income; it was not climatic conditions in western Canada in 1954, but it was the failure of this government to take any effective action to assure the preservation of our wheat markets abroad.

As of March 9, according to the Saskatoon *Star-Phoenix*, 143,900,000 bushels of wheat are stored on Saskatchewan farms. Whenever agriculture suffers and the farmers' income goes down, it immediately disrupts the economy everywhere within the dominion. In 1953 Canadian exports of wheat and wheat flour amounted to 385 million bushels; in 1954, they amounted to 255 million. Because there was no export market there was no sale for the farmers' wheat at the local elevator. During seven months, the period for which I have been able to secure the information, from August to February in 1952-53, there were 207·8 million bushels of wheat exported by Canada. In 1953-54 for the same seven-month period the export was 152·7 million bushels. In 1954-55, for the same seven months, the export was 152 million bushels. In other words, the fall-away since 1952-53 in both years for the seven months was approximately 54 million bushels. Canada's carryover on August 1, 1953, was 369·2 million bushels, and on August 1, 1954 it was 582·7 million. So it is all nonsense to explain that the reason for the fall in the national product was in large measure due to the failure of the wheat crop on the prairies last year.

The situation may also be viewed from another angle, a reference to the actual sales of wheat made by farmers between August 1 and April 20 in two succeeding years. Between August 1, 1953, and April 20, 1954, the sales amounted to 270,080,000 bushels while between August 1, 1954 and April 20, 1955 it was 167,490,000. I repeat that in large measure the fall in national income was due to the fact that the western wheat farmer took the rap, through the failure of this government to provide and maintain markets abroad.

Again, I make the appeal I have made on other occasions, for the intensification of the campaign to sell our wheat in the markets of the world. How is this to be done? That is a problem, a tremendous problem; but it is worthy of note that when in 1950 and 1951 this party made motions in the house to the effect that there should be convened British commonwealth trade conferences, and pointed out the danger to the markets of Canadian farmers in respect of wheat and other grains, each and every member supporting the government ridiculed the suggestion and voted down the motions. I believe one thing that could be done even now, with Australia, the United States and the Argentine securing a larger share of the world wheat market than they secured proportionately three years ago, would be for Canada to begin now to place in each of our embassies—and they are spread all over the world—agricultural market representatives whose duties would be the intensification of a campaign for the sale of our wheat.

Sir, my time has expired, and I will now conclude.

(*Translation*):

Mr. Claude Richardson (St. Lawrence-St. George): Mr. Speaker, it is only proper that, at the outset, I should speak in the language of the majority of the people of the province of Quebec, being one of its representatives, for it is the language of people who have had such a glorious part in the development of this country.

As you are aware, Mr. Speaker, I was born in Acadia, in that region now known as the province of Nova Scotia, a fact of which I am proud. I have however chosen to live in the province of Quebec, where I have been residing over the past 30 years.

My French being far from excellent, my colleagues—those from this side of the house at least—will no doubt allow me to continue my remarks in my native tongue.

(Text):

Mr. Speaker, there are few observations of real value that a member entering this chamber for the first time can probably make. Your new member for St. Lawrence-St. George has made a solemn pledge with himself that certainly, for at least one session—this session—that member shall not use up the 40-minute allotment, but shall restrict himself, as well as he can, within, say, 15 or 20 minutes. Therefore, Mr. Speaker, when hon. members opposite see the hands of the clock approaching 20 minutes after four I ask that they call "time" upon this speaker.

The member for St. Lawrence-St. George is essentially and basically a man of peace, but he suggests that on this sunny afternoon we declare war. Now, I do not mean by that the Secretary of State for External Affairs (Mr. Pearson) should enter the chamber and state solemnly that no longer are we at peace with a certain country. But, with greatest respect, sir, and fellow members, following the example set by the government on many occasions, could we not, man for man and regardless of party, renew our declaration of war upon waste of human personality in Canada, waste of effort, waste of our great natural resources and, without wishing to show any disrespect to hon. members to whom I have listened for four months—and, may I say, with great profit to myself—waste of time.

Without any desire to transgress the rule I have laid down for myself, and not wishing to waste even one of the 20 minutes I have allotted to myself, on some future occasion I should like to pay my respects and the respects of the constituency of St. Lawrence-St. George to at least three of my predecessors—those since 1921. I refer first to the distinguished Sir Herbert Marler, the great brother of a distinguished member of the present cabinet. Then there comes to my mind a name which, when uttered, may cause some of my confreres on this side to shudder—that great and distinguished giant, Charles Cahan who, in the traditions of his party and according to his lights, at his particular time made, as did Sir Herbert Marler, and other predecessors, great contributions in this chamber. Last but not least—because only too recently has he moved from the public scene—the man who in this chamber from the dread days of 1944 on to 1954 administered with relentless devotion not one department but two great departments. You all know his name, because it is a simple one: Brooke Claxton.

In any forum of debate in which human beings congregate we all, perhaps with some rare exceptions—and they may be on the other side, where it may be alleged there is the greater degree of intelligence—make mistakes in our terms. May I at the outset pay my respects to the hon. member for Winnipeg North Centre (Mr. Knowles) because, listening to him a good deal, I have concluded that he is a great repository of information. We recall that when the Minister of National Health and Welfare (Mr. Martin) was making that informative address about a week ago, the hon. member interjected, "Are your figures in constant dollars?"

How frequently in all forms of debate, not only in the House of Commons but throughout Canada, do we fail to compare dollar with dollar when we begin making comparisons in modern life. We also frequently fail to recognize the significance of the terms we use—and nowhere more frequently than in this very chamber. For instance, not always do we recognize what you and I and our fellow citizens mean by the word "government". While in the technical sense we know what a government or a cabinet is, many of us, while we walk on the street, read our newspapers or chat with our friends, fail to realize that when we ask the government to make expenditures it means that somebody somewhere in Canada has to pay a price, and usually vast numbers of us do.

Again, and I shall not go on for long because I want to be well within my limited time, the term "wealth" is used so frequently that people believe one can stretch into the air and pull down currency or gold. But wealth, after all, is a very simple thing to understand. It is human work or productivity, mechanical or other forms of power, applied to natural resources.

In the ambit of just those few terms may I, Mr. Speaker, with some temerity as a freshman in this house, now relate my remarks to four speakers on the opposite side? I refer first of all, with great respect, to a friend and colleague of long standing, the hon. member for Greenwood (Mr. Macdonnell). I regret that he is not here at this time. I wish he were so that I could direct

my remarks to him, face to face. He said, as reported at page 2947 of *Hansard*:

> You may be able to do it on budget night and get away with it, but it catches up with you.

Later on he said:

> The press is catching up. It is interesting to note that a loyal, stout-hearted supporter of the government—I think I am describing them correctly—the Toronto *Star*, ignores the minister's exhilaration and evidently feels, indeed it calls, the outlook uncertain.

Then he quotes the Toronto *Star* as follows:

> "Mr. Harris' maiden speech will come as a disappointment to the many Canadians who hoped it would stimulate production and reduce unemployment."

I continue to quote, Mr. Speaker. The hon. member for Greenwood said:

> I continue to read from the *Star*: "Taken as a whole it is really an unimaginative stand-pat budget that in itself will provide little relief from our present economic problem.

The hon. member for St. Lawrence-St. George has almost within the confines of his constituency two great papers, perhaps some would say not as great as those which are published in another large metropolitan city of Canada, but they are very good papers. One of them is the Montreal *Gazette* which has, if I correctly observe Canadian history, never been known to be tremendously enthusiastic over the people who now sit on this side of you, Mr. Speaker. As a matter of fact, I rather think, if my political history is right, that the destinies of that great paper for many years were presided over by Mr. Robert Smeaton White, who was a venerable member of another political party in this house.

May I digress for a moment to say that the editor of the Montreal *Gazette* long adorned our press gallery. I refer to Mr. John Bassett. When I met one of his associates a day or two after the election—Mr. Bassett happens to be one of my neighbours and constituents—he asked me how I liked the editorial that had appeared two or three days before November 8, which made very kind reference to the Minister of Transport (Mr. Marler) and myself. I said: "If my friend, now the Minister of Transport, and the present member for St. Lawrence-St. George, had died and passed to their fathers on November 8, we should have got, I suspect, a much longer obituary in your Montreal *Gazette* than we did in your editorial, but it was very kind and very helpful."

This is the editorial from the Montreal *Gazette* of April 6, the heading is:

> Easing the Burden
>
> Hon. Walter Harris has decided to use falling taxes as a weapon with which to fight falling revenues. It is a courageous course.
>
> Particularly notable in last night's budget was the decision to cut corporation taxes.
>
> This is an important decision, for it shows a sound perception of the role of corporations as the foundation of Canada's prosperity.

I now come to the end of the editorial:

> But the important thing is that Mr. Harris has shown a readiness to count upon Canadians, in their business and as persons, to take a hand in improving their own future, and he has made some leeway in government tax demands to enable them to do so. This is a far sounder approach than to try to improve conditions by still more government activity and a still more entangled tax jungle.
>
> The losses that the government will take in its revenues, as a result of the tax cuts, are regarded by Mr. Harris as a calculated investment in the country's future. The economic lift they will give the economy may, in due course, produce new sources of revenue, by broadening the base.
>
> This is, surely, the right approach. And surely it comes at the right time.

May I now turn to another section of the chamber. Again I regret that the hon. member is not present, not that he would gain much from my remarks, but I fail to see the leader of the party of which the hon. member for Winnipeg North Centre is a supporter. I refer to the hon. member for Rosetown-Biggar (Mr. Coldwell). As I read the debates of last year I find that he made a mistake in a tax observation, and he repeated, and made doubly bad, this year that very same mistake. May I, with all due deference to a member who has great intelligence, a great heart and great personal integrity, I am sure, say that he failed to tell the whole truth in this chamber when he dealt with this particular subject. I should like to refer to page 2957 of *Hansard*. The hon. member for Rosetown-Biggar, in dealing with the dividend credit said:

> In 1949 the tax credit allowed receivers of dividends from Canadian corporations was first introduced. In 1953 this tax credit was increased to 20 per cent producing, as I pointed out at the time, the fantastic result that a married man with no children who received all his income from clipping coupons could receive up to $9,760 free of personal income tax. That was the position in the 1954 taxation year.

Then he went on to say that as a result of the changes this year the minister will have increased the $9,760 free of income tax to $11,133.33, which the coupon clipper may receive in dividends before paying any personal income tax. I particularly note the use of the word "personal"; but may I suggest that some people throughout Canada, and in fact some members of this house, may be under the impression that from a tax point of view that is the whole story. I submit, Mr. Speaker, it is not. I shall try to demonstrate that in a few sentences.

At the bottom of page 2957 of *Hansard* the hon. member for Rosetown-Biggar gave

a table and he assumed that this particular taxpayer to whom he referred had unearned income of approximately $11,000. Now, there is exactly where certain terms that I referred to earlier are misunderstood. Certainly, Mr. Speaker, my fellow colleagues of the bar will join me when I say that a corporation is a legal fiction; it is an artificial creation. But to create the wealth, the goods or the profits which a corporation must produce you must have men and individuals to do so.

Let me make the case extreme. Assume that the company is owned by one individual. Before that individual gets this unearned income, being dividends of approximately $11,000, there must be net profits of the company, and before there are any net profits there must be gross profits. It is relatively simple so far. But the profits, after certain deductions if you like, are shared, as every member of this house should know, by the taxpayers of Canada, sometimes called the government. Up to now all other taxpayers shared in those profits to the extent of 49 per cent, leaving this one individual who owned the company, who gave forth his efforts in establishing the corporation, to get the remainder of the net profits, 51 per cent. So in order to produce approximately $11,000 of dividends this individual had to have his corporation earn profits of $21,830, of which his fellow Canadian taxpayers got $10,696. That is the amount which our friend the shareholder had to pay indirectly, through the corporation, to his fellow taxpayers of Canada.

The example given by the hon. member for Rosetown-Biggar would have been more appropriate if under his heading of coupon clippers instead of "none" as the tax paid by him, the member had shown this $10,696 as a comparable figure. Mind you, no man in this chamber will stand up and say that I am on the side of the coupon clippers only rather than of all those who make the real wealth of the country. The member for St. Lawrence-St. George has justified his own living by good, hard manual work. I do not share in the criticism, and I will stop it in advance, from anyone who says this example is given to protect the coupon clipper.

This coupon clipper pays to his fellow taxpayers, through the government, $10,696, whereas the salaried worker or the wage earner pays, as the hon. member for Rosetown-Biggar has well said, $1,817. Our friend who is the shareholder of the corporation pays approximately six times as much after assuming the risk of losses as well as profits, after establishing the company with initiative and pioneering spirit, and engaging the salaried man and other wage earners.

[Mr. Richardson.]

I suggest that when we, the member for St. Lawrence-St. George as well as others, enter into debate here we go a little further in explaining, not only to ourselves—perhaps it will not matter too much if some of us are half-educated or not—but to our fellow Canadians throughout the length and breadth of the country, because without having the accurate facts we can never arrive at correct opinions.

I pass on from that side of the house back again to the coupon clippers, of whom perhaps you may find some over here. I come now to the hon. member for Eglinton (Mr. Fleming) and I am sorry that he is not in the chamber as I should like to make some observations in respect of his remarks. I turn to page 3393 of *Hansard* of May 3. First of all the hon. member for Eglinton had a description for the budget of the Minister of Finance (Mr. Harris); he designated it as a budget of crumbs. Let me answer that immediately.

Look at the tables which were placed upon *Hansard* on the night the budget was delivered and you will find that the $2,500 taxpayer, after the new tax rates apply, will have for himself $2,474. Hon. members may argue as to whether that is a good remuneration, but that is not the point at the moment. He will have $2,474. Instead of regarding the savings as crumbs, this taxpayer, if he translates his remuneration into loaves of bread at 20 cents a loaf will find that he has no less than 12,370 loaves. I do not suggest that man can live by bread alone, but when one with the intelligence of the person designated by the Minister of National Health and Welfare (Mr. Martin) as a fellow classmate rises in his place among so-called mature men—there are no older ladies in the house—and says that this is a budget of crumbs, I suggest that on budget night the Minister of Finance left with that particular taxpayer nearly 13,000 loaves of bread.

Let me get more serious. The hon. member then dealt with the sales tax at page 3395 of *Hansard* when he recalled an item which had appeared in the Toronto *Daily Star* of August 6, 1935, which referred to the sales tax as being a fine for selling and buying. The hon. member for Eglinton then went on in his own inimitable manner to say:

> Yes, a fine for selling and buying; and that was at a time when the sales tax was at less than half its present rate. They—

Meaning us over here.

> —have more than doubled it since that time. They have more than doubled the fine on buying and selling.

Let me answer that. I do not want to document this address any more than neces-

sary and I hope hon. members will be patient with me. This will be next to my last documentation. If you will refer to any standard textbook on taxation you will find that while the administration from 1935 to the present day did increase the sales tax rate from 6 per cent to 10 per cent, which is an increase of approximately 66⅔ per cent in a period of about 20 years, the party to which the hon. member for Eglinton owes his allegiance during the last term it was in office, from 1930 to 1935, increased the sales tax from 1 per cent to 6 per cent, an increase of 500 per cent. Who doubled the fine on buying and selling?

One last reference, and I now come to the hon. member for Broadview (Mr. Hees). As reported on page 3007 of Hansard of April 20 the hon. member, as was his right, went on to criticize the budget. As a matter of fact, in my humble opinion the hon. member for Eglinton, the hon. member for Prince Albert and the hon. member for Broadview all made constructive suggestions which we will have an opportunity to say more about when we are dealing with the legislation. Speaking about the reduction in the personal tax the hon. member had this to say:

> That kind of tax reduction is not going to give anybody the incentive to go out and buy a television set, a washing machine, a refrigerator, a stove, a suit of clothes, or any of the things produced by the industries that are hardest hit today.

And again:

> The 2 per cent reduction in corporation tax was welcomed by industry but—

And further on:

> It will also do very little to stimulate plant expansion, because it will merely mean a saving of $10,000 to a company earning a profit of $500,000 before taxes.

An hon. Member: Time.

Mr. Johnston (Bow River): The hon. member has had 20 minutes. The hon. member asked us to call his attention to the time.

Mr. Richardson: Thank you very much. I shall sit down in just a moment. I know I have had 20 minutes but I will stop in just a minute. The May 5 issue of *Financial Counsel* published in Toronto and Montreal had this headline:

> T.V. Boom Continues to Roar Ahead.
>
> The booming industry of manufacturing television sets shows no signs of slowing down despite the hectic pace of expansion in recent years. In the first quarter of 1955, a new sales record of 116,462 sets valued at $51,419,791 was established.

Then on page 3 of the same issue we find an item stating that Canadian International Paper Company is to erect a $2 million plant, and the paragraph continues:

> Another step in the capital expenditure program of Canadian International Paper Company will soon be taken when a start is made in the near future on a $2,000,000 plant at Pointe Aux Trembles, Quebec, just east of Montreal. This new plant will produce special containers and will employ several hundred people when it has reached the final stage, according to latest reports.

And again:

> Present building program involves an increase in pulping capacity and installation of the world's largest machine for making kraft liner board at La Tuque.

Mr. Speaker, I shall finish now if you will allow me just one minute of my remaining 18 minutes' time.

The budget is of course a report to the shareholders of Canada, who are all taxpayers including ourselves. I have two suggestions. One is a relatively simple and inexpensive way to let all of us taxpayers know exactly what we are paying in the way of income tax and for what purpose. On the reverse of the assessment notice which goes out to all of our four million taxpayers in Canada there could, without any great expense in printing, be put the seven major items of expenditure; defence, welfare and pensions program, public debt charges, provincial payments, resources and industrial development, national overhead and miscellaneous. Against those seven descriptions there could be placed the exact amounts that are spent. Another column could show precisely the percentage, for example, about 40 per cent for national defence.

There could be another—the last—column on the right where any taxpayer, even those who are in this chamber, with a pencil, may relate his percentage which is to be paid for national defence. If it is estimated at 40 per cent, the taxpayer will know that out of his total tax bill of $1,000, $400 will be spent on his behalf for defence. That is a relatively cheap price at the moment to pay for security within Canada. Each taxpayer will know precisely what his share of the income tax burden is with regard to national welfare benefits, with regard to the debt charges and other features of our national administration.

Although at first glance this may seem a little strange, many taxpayers in Canada are anxious to have—and certainly need—information of this character. I do not believe we have any interest in prolonging the debate here, but my own view is that we should inform the taxpayers who are our shareholders. I submit that the Minister of Finance and his department might give this suggestion full examination.

Mr. Speaker, I listened with great interest to the hon. member for Prince Albert this afternoon. I want to say that, as the member representing the constituency of St. Lawrence-St. George, I think it would be the wish of my constituents that the Minister of Finance give careful and renewed consideration to making the amount of $50,000 totally exempt in respect of all succession duty assessments. I subscribe very largely also to the view of the hon. member for Prince Albert that pension plans for self-employed people should have come long ago in our Canadian legislation.

I am grateful, Mr. Speaker, to fellow members for overlooking my transgression of my self-set period of 20 minutes, and I now resume my seat.

Mr. Victor Quelch (Acadia): Mr. Speaker, I think the hon. member who has just taken his seat will realize now that he may have been somewhat rash when he began his speech with the statement that he was only going to take 20 minutes, as he spoke for about double that length of time.

An hon. Member: What about the hon. member for Prince Albert?

Mr. Quelch: In regard to the budget, it is interesting to note that from 1945 to 1953 we had in this country generally a sellers' market, bringing an expansion in both production and income. The job of the Minister of Finance during that period was comparatively easy. The economy was forging ahead, and it was only necessary for the minister to apply the brakes from time to time. Today the economy has slowed down and there is a very definite need to push sales in order to maintain the expansion in both production and income.

I would say that the present period provides the first real test of the government's ability to maintain an expansion of production in the face of somewhat adverse conditions. One might say that today the home market has been very definitely neglected. I think the Minister of Finance will agree that the home market is the best market we have, because it has to absorb an amount of goods equivalent to the total production of the country. I would also say it is the best market, because it is the only market over which we have absolute control. But it has been sorely neglected in the past, and it can be argued that it is being neglected today.

Certainly we have in Canada today a tremendous potential market consisting of the people receiving low incomes. The minister stressed the sustaining force of welfare payments. I think the minister will agree that those payments could be still further expanded without laying themselves open to the charge of extravagance. Expanding those payments would strengthen their sustaining force in so far as the economy is concerned.

I regret that the Minister of Finance did not see fit to reduce the sales tax, which would have helped to expand the purchasing power of those people who are in greatest need of having their purchasing power expanded. It would also have helped to expand sales by reducing the prices of commodities, and that would have been of special value in the international market, because we are constantly being told that our prices are not competitive.

In his address the minister blamed the short wheat crop for the decline in the Canadian economy. Obviously that cannot be the case. By the end of 1954 we had not even sold the 1953 crop. If we should happen to have another crop failure this year I think the government will realize the seriousness of the situation because, having had a crop failure last year, another crop failure this year would bring about a drop in farm income which would be exceptionally serious.

What the minister should have said was that the decline in the Canadian economy was due largely to the drop in the farmers' income. Agriculture today is undoubtedly facing very difficult times, owing to falling prices, the difficulty in selling farm produce, and adverse weather conditions.

The bureau of statistics, in its publication "Farm Net Income, 1954", demonstrates the effect of these conditions. It is important to note that the figures I am quoting are of net income. Whenever you refer to the situation with regard to agriculture you should always use the net income figures rather than gross income, because gross income in itself has little significance. You must take into consideration the cost involved and what is left afterward. That is the income the farmer has left to spend.

In 1951 the net income of the farmers was $2,154 million; in 1952, $1,923·5 million; in 1953, $1,699·6 million; in 1954, $1,125·6 million, a drop of over $1 billion in four years. So we find today that the farmers, representing approximately 16 per cent of the population, are only receiving 6 per cent of the national income. The whole economy is suffering as a result. I think the minister would agree that everything that can possibly be done to halt that downward trend must be done. It is not merely the farmers who will suffer; the whole Canadian economy will suffer as a consequence.

We believe three things are essential in order to strengthen the agricultural situation. We believe the price support program should be strengthened. We believe definite action should be taken to expand markets for agricultural produce both at home and abroad. We believe the government should take the initiative in establishing a crop insurance program in co-operation with the provinces.

I am only going to deal with the question of support prices at this time. I shall be dealing with the other two matters at some other time, probably on the agriculture estimates. However, before going on with this matter I wish to refer to a statement made by the hon. member for Assiniboia when he spoke in this debate. He stated that the C.C.F. was the only party in Canada advocating that support prices should be at full parity, that is parity prices supported rigidly on that basis. I would point out that it is true they are the only political party, so far as I know, advocating that policy; but it is also interesting to note that none of the major farm organizations is advocating that support prices should be maintained at 100 per cent of parity. If there is any doubt on that point, perhaps I should quote from the brief of the Canadian Federation of Agriculture.

It is also interesting to note that when the hon. member for Assiniboia spoke he referred to the brief of the Canadian Federation of Agriculture as a very excellent brief. This is what they have to say regarding the proposal of the C.C.F. to maintain support prices at 100 per cent of parity, as found at page 7 of their brief:

> We do not believe it is sound or practical to look to a price support program to guarantee the farmer prices which represent a full fair or parity relationship for each individual product. The result of such 100 per cent guarantees, if attempted, would inevitably be a high degree of government direction and control over agriculture. We do not believe farmers wish to submit to such extensive government participation in their business, nor do we believe it is reasonable to ask the government to undertake such a commitment. We believe that a parity position for agriculture can be achieved not only through a clearly defined price support program, but through the development of producer orderly marketing programs and the full co-operation of governments in all essential features of sound farm, economic and trade policy.

It is interesting to note that in their brief the Canadian Federation of Agriculture advocates partially flexible support prices being maintained at between 65 and 85 per cent of parity. The hon. member for Assiniboia says their brief is very excellent, so apparently he is in favour of maintaining support prices at not more than 85 per cent of parity. On the other hand, in his own speech he advocated 100 per cent of parity.

Mr. Johnston (Bow River): A little confused, that is all.

Mr. Quelch: The hon. member for Assiniboia went out of his way to criticize what the leader of this group had had to say regarding parity prices. If it had not been for that I probably would not have mentioned the subject at all. At page 3459 of *Hansard* the hon. member had this to say:

> In his opening speech this session the leader of the Social Credit party had some remarks to make about parity prices. He said that his party was in favour of flexible parity prices, in other words, prices that were only a percentage of parity and which did not give the farmer the full equitable treatment he deserves.

Let me say that statement is absolutely false. I am not suggesting it was deliberately made as false; nevertheless it is an absolutely untrue statement. Unfortunately I think the hon. member for Assiniboia has allowed his political astuteness to pervert his mind in this regard. The trouble with the hon. member for Assiniboia is that he apparently does not understand the meaning of the word "flexible". He takes it for granted that the word "flexible" means less, but of course it can mean more or less, above parity or below parity. If it were considered desirable to expand the production of any one commodity and reduce the production of another, then it might be considered desirable to increase the support price above parity on the commodity you wanted to expand and decrease it on the other. There is no indication that by flexible support prices the leader of this group meant price supports below parity. Then the hon. member for Assiniboia went on to say:

> In case the hon. member may think I am misrepresenting what he said—

Let me point out there is no doubt about that.

—I shall quote his exact words as reported on page 47 of *Hansard* for January 10, 1955:

> "There is a very good case that can be made in favour of the adoption of such a flexible system here in Canada, the percentage of parity that is used of course to depend upon the amount of incentive which ought to be provided to achieve the amount of production that is required to meet the need."

That is the statement on which he bases his contention that we were advocating less than parity and an inequitable treatment of the farmers. If he had gone on a little further he could not possibly have fallen under that delusion. Let me quote from the same page

he quoted from as to what the hon. member for Peace River (Mr. Low) stated:

> The problem we face in this country is to adopt some policy and some technique which will guarantee the farmers their fair share of the national income. The figures will bear out what I say. The farmers who make up approximately 20 per cent of the population of Canada, received in 1953 only 9·9 per cent of the national income . . .
>
> I say the problem to be faced in a country like Canada is to adopt a policy which will guarantee the farmers a fair share of the national income. It would be only just and right if the farmers as a class make up 20 per cent of the total population of our country, they should receive something like 20 per cent of the national income. There has hardly been a time in the history of this country when this has been the case.

To achieve that, we advocate flexible parity prices based upon a two-price system, and I will be dealing with that later in my remarks. I think that is all I need to say to clarify the situation regarding the charge of the member for Assiniboia that we are advocating parity prices of an inequitable nature. He did suggest to me that I should straighten that out when I spoke.

Mr. Argue: I suggested that you should straighten out your leader.

Mr. Quelch: There are a number of points that are generally raised in connection with the subject of parity prices. If you are speaking to people down east about western agriculture they will invariably say, "What right have the farmers of Canada to expect the government to underwrite their prices?" I think it is quite a reasonable question. To answer it you have to go back a number of years. You have to go back to the depression years before the war, when farm prices were at a very low level, far below parity. When the farm organizations protested about the low prices they were told that the cause was the international situation, that prices were low in the world market and the farmers could not very well expect to get more than the prices in the world market. So prices continued at a low level in those pre-war years.

Then the war came and within a couple of years the prices of farm products started to rise, but the government considered it desirable to place a ceiling on those prices. Let me point out that you cannot have it both ways. If you say the farmers should take low prices when world prices are low, then surely the farmers are entitled to high prices when world prices are high. But they were not allowed to have those high world prices. Ceilings were placed on them at the very time when the farmers had an opportunity to make up the losses they suffered when prices were so low in the depression years.

The government of the day apparently realized the situation was not fair so far as agriculture was concerned, and the prime minister of the day, Right Hon. Mackenzie King, had this to say in a radio broadcast on December 4, 1943:

> I wish tonight to thank the farmers of Canada for their magnificent contribution to the battle of production. I wish again to appeal to them to continue to help hold the front line against inflation by continuing to support the price ceiling. If, to help win the war, the farmers are asked to accept a ceiling on prices, we believe they are entitled to a floor under prices to ensure them against an agricultural depression after the war. As an essential part of its post-war policy, the government intends to ask parliament at the next session to place a floor under the prices of main farm commodities.

The government lived up to that promise and instituted the Agricultural Prices Support Act. Under that act the principle was established that prices for farm products should be maintained at a level that bears a fair relationship to the prices of other commodities. The question, of course, that is in the minds of many farmers is whether the government today is living up to that principle.

I was interested in that point. I was wondering whether the support prices of farm products today were in line with the principle laid down under the Agricultural Prices Support Act, so I wrote the chairman of the agricultural prices support board. On a former occasion I had written to the bureau of statistics but the Minister of Agriculture told me I had written to the wrong body, and I should have written to the agricultural prices support board. This time, therefore, I wrote to the board. The letter was as follows:

> Dear Mr. Shaw:
>
> Could you please send me a list of the commodities that are being supported today and the level of the support price.
>
> In addition, could you also give me what the price of these products would be if the price of farm products today bore the same relationship to the prices of other commodities as existed in the base years 1943-44-45.
>
> I would like to get that information on cattle, as well as hogs, eggs, cheese and butter.

I received a very courteous reply from the agricultural prices support board, and I will just quote the last three paragraphs. They read as follows:

> In connection with the second paragraph of your letter I am not quite certain as to the interpretation but I assume you are referring to the basis of relationship mentioned in subsection (2) of section 9 of the Agricultural Prices Support Act which states:
>
> "The board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment . . . and shall endeavour to secure a fair relationship between the returns from agriculture and those from other producers."

In order to illustrate the relationship on the basis of the five commodities which you mention the following table shows the position of each commodity mentioned as well as indicating the United States prices which, while not exactly comparable may be used as guides to prices in that country. The United States market prices for the last four years have been included as a basis of comparison. You will also be aware that eggs and butter have been under price support continuously for several years.

I might mention that I did not ask for the prices in the United States, but I can quite understand that he was anxious to put in a little plug for the government because the comparison was quite favourable in so far as the government of Canada is concerned. I want to comment briefly on the table so I was wondering, Mr. Speaker, if I could place it on the record and then comment upon it.

Mr. Deputy Speaker: Has the hon. member permission to place this table on *Hansard*?

Some hon. Members: Agreed.

Mr. Quelch: The table is as follows:

Year	Estimated parity using 1943-45 as base period	Average market price	United States market price
Cheese—	(cents per pound Toronto)		Plymouth-Wisconsin
1943-45	21.5	21.5	—
1951	33.4	38.8	39.5
1952	35.4	32.9	37.9
1953	34.9	31.4	35.1
1954	34.3	32.5	31.2
First grade creamery butter—	(cents per pound Montreal)		Butter—grade A Wholesale New York
1943-45	43.0	43.0	—
1951	66.9	65.0	73.6
1952	70.7	62.4	71.5
1953	69.7	61.0	65.5
1954	68.6	59.8	59.0
Good steers—	(up to 1,000 pounds–dollars per cwt. Toronto)		Chicago
1943-45	11.64	11.64	—
1951	18.11	32.60	34.80
1952	19.14	25.15	29.32
1953	18.88	19.97	20.79
1954	18.58	19.53	20.77
Hogs BI dressed—	(dollars per cwt. Toronto)		Barrows and gilts dressed carcass Chicago
1943-45	17.35	17.35	—
1951	27.00	32.85	30.12
1952	28.54	25.70	25.32
1953	28.14	30.82	30.15
1954	27.69	31.10	30.48
Eggs grade A large—	(cents per dozen Montreal)		Midwest mixed fancy heavy weights New York
1943-45	42.9	42.9	—
1951	66.7	66.2	59.2
1952	70.6	54.2	48.1
1953	69.6	64.8	54.2
1954	68.5	52.1	40.4

This table gives the estimated parity price for a number of commodities, using 1943-45 as the base period. Taking cheese, we find that in Toronto in the year 1954 the parity price should have been 34·3 cents per pound and the actual price was 32·5 cents. This would be 95 per cent of parity. The parity price for first grade creamery butter at Montreal should have been 68·6 cents per pound and the actual price was 59·8 cents. This was 87 per cent of parity. The support price for butter was 58 cents, which was only 84·6 per cent of parity.

For good steers up to 1,000 pounds in 1954 at Toronto, parity price would have been $18.58 per hundredweight and the actual price was $19.53. This was 105 per cent of parity. In so far as hogs were concerned in 1954, parity price at Toronto would have been $27.69 and the actual price was $31.10, which was 112 per cent of parity. The support price was $23 per hundredweight, which was 83 per cent of parity.

For grade A large eggs at Montreal in 1954, parity price would have been 68·5 cents per dozen and the actual price was 52·1 cents, which was 76 per cent of parity. The support price was only 38 cents per dozen, which was less than 56 per cent of parity.

I did not include wheat in the list of commodities for which I had asked prices because grains do not come under the Agricultural Prices Support Act, but I did get figures from the bureau of statistics. The parity price of wheat in 1954 would have been $2.27 per bushel. The actual price was considerably below that. Today a large number of farmers are actually having to take less than half that price for the wheat they are selling.

I believe that using the period 1943-45 as the base period is satisfactory provided the principles contained in that act are lived up to in the fullest degree, and so long as it is made clear that this is a long-term program and that any change in support prices will be announced well in advance to give the farmers a chance to make any changes in their operations they may wish to make as a result of the change in the support price.

The interprovincial farm union presented a brief to the government this year and they also, I believe, talked to the caucuses of all the political groups. When they appeared before us we asked them to go beyond their brief and explain just exactly how they would apply support prices. They gave us a paper on support prices, and in that paper they suggested a base period of 10 years instead of the three-year period. They suggested the period 1940-49, pointing out that this period took in the low years as well as the high.

Well, actually using 1940-49 as the base period instead of 1943-45 does give the farmers a slightly higher support price. The Canadian Federation of Agriculture in their brief advocated the years 1925-29 as the base period. Personally I think the period used by the government, namely 1943-45, is about as good a base period as we can get. Actually the base period 1943-45 gives the farmers about 1 per cent more than the base period 1925-29. This can be ascertained by referring to appendix A on the last page of the Canadian Federation of Agriculture brief. You will find there that using 1925-29 as the base period, the period 1943-45 gives 101 per cent instead of 100. I cannot see, therefore, any great argument for changing the base period from 1943-45 to 1925-29 or even to 1940-49.

The next point of importance regarding support prices is the most equitable way of applying them. The interprovincial farm union advocated a two-price system. In this group we have been advocating a two-price system for a number of years; that is, that the domestic market for farm products should be supported at 100 per cent of parity and that farm exports should be sold at the best prices obtainable in the international market, preferably under international agreement but supported by a reasonable support price. In other words they advocated a flexible support price which would be the average of the price obtained in the international market and the domestic market, the domestic market being maintained at 100 per cent of parity.

The Canadian Federation of Agriculture advocated that certain products be supported at all times, that they be announced well in advance and at a range of from 65 per cent to 85 per cent of parity, established on the basis of 1925-29. As I say, this is only partially flexible because it has the ceiling of 85 per cent on the support price. It is also interesting to note that the Canadian Federation of Agriculture only advocated the two-price system in regard to wheat, and that is found on page 9 of their brief where they said:

> In respect to the price of wheat charged to domestic consumers, we would recommend that this price be not less than the existing maximum price under the international wheat agreement.

In other words they are advocating that wheat in the domestic market be sold at the maximum price under the international wheat agreement, and the balance sold at contract prices. The farmers would get the average of the two. The two-price system is far more important in regard to other commodities than it is to wheat, for the simple reason that a far larger percentage of other farm commodities is consumed in Canada.

As I say, we have supported the two-price system for some years, and we believe it can be fully justified. The two-price system is in line with the general practice in secondary industries. They set the price for their goods to be consumed in Canada, a price they consider will return them a fair profit, and then their surplus production is

exported and sold at the best price they can obtain. In many instances the price in the world market will be substantially below that charged for the same commodities in this country. I have personal knowledge of that fact in connection with farm machinery. I have priced Canadian farm machinery in other countries and have found that it was being sold at substantially lower prices in those countries than it was being sold in Canada.

The situation in regard to agriculture is altogether different. The world price has always been allowed to dominate the domestic price, although only a small percentage of farm products is exported. Apart from wheat, 94 per cent of farm products is consumed in this country. Yet we allow the 6 per cent that is exported to dominate the price of the 94 per cent consumed in this country.

Therefore we in this group advocate that the domestic price should be held at parity, and that the best prices possible should be obtained for goods exported to the world markets. Preferably they should be sold under some form of international agreement, such as the international wheat agreement. Someone might say, "Well, if we adopted a policy of that kind, what would be the reaction of labour?" It is interesting to note that at their conventions labour endorsed the principle of maintaining farm prices at a fair relationship with the prices of other commodities. So apparently there would be no objection from labour in that regard.

I believe the most efficient way to apply the two-price system would be through boards similar to the wheat board. On the other hand I realize that you cannot possibly sell all farm products under compulsory boards, unless the farmers themselves are in favour of the adoption of such a program. And, whether we like it or not, it is quite clear that many farmers are opposed to such procedure.

In Alberta and Saskatchewan they are paying considerable attention to the establishment of a livestock board. In my own province the federation of agriculture has held a number of meetings. Meetings have been held in my constituency regarding the establishment of a marketing board for livestock. In the town of Hanna, one of the important points in my constituency, when they took a vote at the close of a meeting the farmers voted heavily against the establishment of a livestock marketing board. I say therefore that it would be a very great mistake to try to establish a board of that kind against the wishes of the farmers. It would be doomed to failure before it got started. If the farmers can be convinced that it is in their interest to adopt compulsory boards for farm products, then such a procedure should be instituted, but not until that time.

However, I believe there are a number of ways by which the two-price system could be put into operation without the formation of boards. For instance, let the government estimate the percentage of a commodity they believe will be consumed in Canada, and the amount that will be exported abroad. Then let them figure out the total price for the commodity that will be sold in Canada, at parity, and the total price for the commodity that will be exported at the best price that can be obtained. Then guarantee to the farmers a price equal to the weighted average of the two. For example, if it was estimated that 90 per cent of a commodity would be consumed in Canada and 10 per cent exported, with a parity price of $1 per unit and an export price of 70 cents the weighted average would be 97 cents, which would mean that the farmer would receive 97 per cent of parity for the whole commodity.

The main argument that has been used against the parity price is that it might create surpluses. Yet we should always keep in mind that at the present time over 50 per cent of the population of the world is undernourished. Until such time as people in other countries are obtaining all the food they need there should be no suggestion that we are producing too much food. The problem is that of finding ways and means of distributing that food to the people who need it.

Mr. H. H. Hannam, president of the Canadian Federation of Agriculture, speaking before the annual convention at Edmonton, referred to the conference of the international federation of agricultural producers held at Nairobi. His comments are to be found at page 16 of the booklet containing his speech. In this speech he sets out the main conclusions and recommendations, to some of which I shall refer. He said:

> The answer to the lack of balance between present producing capacity and effective demand does not lie in the restriction of production. The world needs enormous quantities of food and fibre. At the same time it should be recognized that, temporarily, important shifts in production could be made to advantage and should be made.

And again:

> The conference recommended that governments of countries possessing unwieldy surpluses take steps, where practical, to dispose of some surplus stocks in their domestic markets—by improved marketing efficiency, special welfare programs, special feeding programs for certain vulnerable groups, etc.

And again:

The IFAP agreed that, while some sales of products abroad at less than domestic prices may be inevitable for some commodities under present circumstances, every effort should be made to use the consultative machinery referred to above in respect to any new programs in order to avoid damage to the interests of friendly countries.

And again:

It recommended that priority be given to disposal of surpluses in underdeveloped countries, which is particularly important where such disposal programs are linked with programs for general economic development.

And again:

The concluding thought, however, which refers to many of the recommendations already mentioned, is that the best answer will be found on the side of demand—in those programs and program features which aim to widen and improve distribution and raise purchasing power to provide effective demand.

Mr. Speaker, as it is now five o'clock, perhaps I might be permitted to continue my comments after we have disposed of private and public bills.

Mr. Deputy Speaker: Order. It being five o'clock the house will proceed to the consideration of private and public bills.

CANADA GRAIN ACT

AMENDMENT TO PROVIDE FOR FAIR ALLOCATION OF BOX CARS

The house resumed, from Tuesday, May 3, consideration of the motion of Mr. Argue for the second reading of Bill No. 22, to amend the Canada Grain Act.

Mr. Rene N. Jutras (Provencher): Mr. Speaker, on Tuesday when we were discussing this bill I was interrupted at six o'clock. Since then I have had the opportunity to read the speech made on that occasion by the sponsor of the bill, the hon. member for Assiniboia, and in the few minutes left at my disposal I should like to refer briefly to one statement he made.

First of all let me say that I was struck, when reading his speech, by the number of times the word "arbitrary" appears in it. It seems that the hon. member was carried away by his eloquence in the course of the discussion.

I wish to refer more particularly to the statement which appears on page 3412 of *Hansard,* and to quote the last sentence of the second paragraph and the last sentences of the third paragraph. In referring to the action of the government, the hon. member said the government—

—has permitted the transport controller to step in and block the farmers' action by cancelling the car order book.

[Mr. Quelch.]

The same thing is repeated in the third paragraph in different words, as follows:

Apparently there is no one in the board of grain commissioners or in the ranks of the cabinet who wishes to restore to the farmers this fundamental right. They would far rather continue this conspiracy to deprive the farmers of a fundamental Canadian right.

The hon. member went as far as he could without being unparliamentary, because there are certainly imputations of improper motives here. The suggestion that the controller or the government deliberately set out to deprive the farmer of a fundamental right is, of course, nonsense in this instance.

This takes us back to the time when the car order book was suspended. It would be well to put on the record the facts of that particular case. Surely the hon. member for Assiniboia knows very well what were the reasons for the suspension of the car order book at the time. They were certainly not the reasons suggested in these two paragraphs. At that time, as we all know, there was a demand for a particular grade of grain, a grade other than the prevailing grade of grain that was produced in that area.

The result was that the Canadian wheat board found themselves in a difficult position because they were unable to obtain, or could not readily get, the particular grade for which they had sales. Therefore they had to issue special shipping orders to get that particular grade wherever it was available. Consequently, under conditions such as these the car order book was very difficult to operate. I believe the controller suspended the car order book at the request of the Canadian wheat board. At any rate, at that time everybody agreed that it was the logical thing to do and it was done by the controller in order to fill the orders the board was getting for the sale of that grade of grain.

Surely everybody still agrees that it was wise for the wheat board to try to sell as much grain as possible. These were the only reasons the car order book was suspended. Last year, as the situation changed, the pools were the most insistent on having the car order book reinstated.

As we all know, the minister suggested last year that the car order book be reinstated, and it was reinstated. I understand that after a year's experience with it the pools are contemplating requesting that it be suspended again. The suggestion that the transport controller, or any other agency, and the cabinet ministers had purposely set out to prevent the farmers from getting box cars through the car order book is simply ridiculous. It is not a fair statement to make.

Again and again in his speech the hon. member referred to the government directly or indirectly denying to the farmer the right to deliver to the elevator of his choice. He even went so far as to suggest that in this instance the government had taken away the right of the farmer. Earlier in his remarks—and this is what I want to refer to before I conclude—he proceeded to give advice to the people of eastern Canada on this question of box car distribution. I think I should reread for the record the remarks of the hon. member, since he is a member of the socialist group. He said, at page 3411 of *Hansard*:

> The right is that any Canadian, when he decides to sell his produce—whether it be agricultural produce or whether it be his labour—has a right to sell that product to the firm of his own choosing. To say that western farmers today have that freedom would be to deny the truth of the statements by thousands of farmers that have been received by members of parliament and by the government.

We know that other people of whom the hon. member spoke in a derogatory way later on in his speech have been using this very statement in their publicity. Apparently everybody agrees on that, but if the purpose here is to clarify the situation for the eastern members, we might as well state the facts exactly as they are.

As far as the selling of our products is concerned, a few years ago we all agreed and I think we still agree—or at least a very large majority of the farmers of western Canada agreed—that they would forgo the right to sell to any particular firm. By instituting the Canadian wheat board we agreed to let that board be the sole agency to buy our products, and we retained the right to choose the firm to handle our grain. We all have the same right today. It has not been denied to anybody; it has not been taken away by anybody. The situation today is that in some instances we find that the exercise of this right has been curtailed to some degree. It has been curtailed in varying degrees, depending on the area and the place. For quite a few years it has never been possible to exercise that right in full, because no matter what we do, what distribution we make or what scheme we have, in a centre where there is only one elevator the farmers cannot have the right until that situation changes. Therefore, in effect, no matter what anybody does, this right will be curtailed and has been curtailed to some degree.

If there are enough box cars we all have the right to deliver to the elevator of our choice. If there is more than one elevator in a centre we may have that right again. But, I repeat, if there is only one elevator we have not the choice because, under the quota system, it has not been possible to devise a means by which a farmer can deliver to more than one point at a time. Therefore the various suggestions, including the bill introduced by the hon. member for Assiniboia, may improve conditions in some ways but the problem will remain with us to some extent as long as there is an acute shortage of box cars.

As I said, we have been circularized and presented with another suggestion by the Saskatchewan wheat pool. It is suggested that this matter go before the agriculture committee. There is no doubt that it will be discussed at some length, but I suggest that if we passed this bill we would preclude consideration of the suggestions of the pool. It would not be timely. I suggest that this be left until we have a chance to hear more of the details of the other suggestions that are being made by the pool.

I am convinced that Bill No. 22 is not workable and cannot be made workable, and there is also some question as to its being constitutional. At any rate, the matter of the distribution of box cars will come up for discussion in due course and some further light will probably be thrown on the subject.

Mr. Victor Quelch (Acadia): Mr. Speaker, I should like to congratulate the hon. member for Assiniboia upon bringing this measure before the house again, because it is of vital importance to the grain growers of western Canada, especially so long as the quota system continues. On previous occasions we have always supported similar amendments, and we shall do so at this time because we believe the farmer should have the right to deliver grain to the elevator of his own choice.

The hon. member for Provencher pointed out that the farmer never had that full right, and he gave as an example that there might be only one elevator at a certain point. That might be true in a particular case, but we know there is more than one elevator at the majority of points in western Canada. Simply because there might be only one elevator at one point should not deny the farmer the right to deliver grain to the elevator of his own choice.

Mr. Jutras: I am sure the hon. member does not want to misinterpret what I said. I was not using that as an argument against any of the schemes, but simply to indicate that a full choice was not always available.

Mr. Quelch: I quite understand that the hon. member was not presenting it as an argument, but I assume he was considering it as a factor in the case or he would not have mentioned it. He must have had some reason for doing so.

The principle of this amendment has been endorsed by all the major farm organizations in western Canada such as the Canadian Federation of Agriculture, the interprovincial farm union and the three western pools. We support it on the ground that the farmer should have the right to deliver grain to the elevator of his own choice at the time a quota is established.

Second, this would help to restore competition in the purchase of grain by elevator agents. Many of us who have had experience in the marketing of grain in western Canada know that at times the popular elevator will be plugged and if a farmer wishes to market his grain he must take it to one of the other elevators. I know it will be argued that all farmers will be treated in the same way, but that is not quite the case. We know that all elevators look after their special patrons. If an elevator should be plugged and a car is available, the agent will phone his special patrons and tell them to bring in some wheat. Those farmers will load up two or three trucks and bring them in and by the time the other farmers hear about it the space is gone. I am not blaming the farmers for that situation, nor do I blame the elevator agents; it is just a situation that exists.

The whole problem arises from the fact that cars are allocated on the basis of one car per elevator. I know it has been argued that this is not a fact, and it may not always be true; but so far as I know that is the general practice. I have been told that it is the general practice at a number of points. This practice is not followed as far as manufacturing establishments are concerned. The factory with the large production will get the greater number of cars; but in the case of grain elevators, no matter how much wheat farmers may want to take to a specific elevator they all get the same number of cars. This is the result of a state of congestion. As a result of this practice farmers are forced to take wheat to elevators other than those of their own choice if they desire to market their grain.

This amendment would help to restore competition. At the present time there is little if any competition because an agent knows quite well that the grain will come to him when the other elevators are full. Consequently he is free to undergrade, underweigh and overdock because he knows he is going to get the grain in the long run. Farmers are quite often forced to haul their grain to a particular elevator even though they do not like the way it will be handled.

No doubt this is one reason the overages in country elevators are so large. Some people may say the pool elevators also have overages. This is true, but the farmer knows that if he hauls his wheat to a pool elevator and there are overages he will get the benefit of those through patronage dividends at a later date. That is why so many farmers are anxious to haul their grain to pool elevators. They are not satisfied with the way their grain is being handled by the other elevators. If they haul to a pool elevator they will benefit from any overgrading or underweighing that may take place when the final settlement is made.

If this amendment carries, cars will be allocated to elevators in keeping with the farmers' individual expressed preference. The railways say they are quite willing to do this and are merely waiting for direction from some source. The wheat pools have suggested a somewhat different procedure through an amendment to the wheat board act and the grain act. I am not at all certain in my own mind whether this amendment or the amendments suggested by the wheat pools would be best, but I think we could all agree on the principle of this bill, that the farmer should have the right to deliver his grain to the elevator of his choice.

It seems to me the best thing the house could do would be to approve the principle of this bill on second reading and then send it to the agriculture committee, where it could be amended in line with the best interests of the farmers without changing the principle. We would be able to bring down representatives from the pools and other farm organizations and try to whip this amendment into the best possible form.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, in rising to support Bill No. 22 I want first to comment upon the fact that the hon. member for Provencher has said repeatedly that we ought to let this matter stand for a little while longer until we see what the committee is going to do about it. I suggest to him that the wrongs and injustices which have existed in this field have been allowed to go on too long. This bill should have been passed three years ago, and the right of the farmer to deliver grain to the elevator of his own choice established.

When you take that right away from him you stir him very deeply, particularly when the elevator which he has built represents years of struggle and sacrifice, education and fight. We do not want to go back to the old days when the Winnipeg grain exchange controlled the price of grain when purchased from the farmer and the price at which it was sold to the ultimate consumer or to other

parts of the trade, and then pocketed the difference. As stated in the explanatory note:

> The purpose of this act is to remove discrimination in the allocation of box cars by providing in a new section of the car order book a rule for the fair allocation of box cars among elevator companies at a marketing point where the car order book, as presently constituted, is not in effect.
>
> By allocating their seeded acreage among the elevator companies at a marketing point, producers themselves will determine the distribution of box cars at that point.

Many people are somewhat at a loss to understand why there should be so much noise about the right of a farmer to deliver his grain to the elevator of his choice as, after all, he is selling it to the wheat board, and the wheat board is the sole agency to handle it. But there is more than that involved in this. The farmer, in continuing the fight he has carried on for some 30 or 40 years, has established this elevator system to which he wants to deliver. He has been delivering his grain to his elevator for many years. It is part of his life; it is part of his struggle; it represents years of work. He sees a tremendous injustice when box cars are allocated to the elevators at that particular point, and he finds when he wants to deliver grain to his own elevator that there is no room. Why is there no room? Because somebody, in spotting the cars that came in, spotted the cars in front of the other elevators.

The effects of the situation are shown clearly in the annual figures of the Saskatchewan wheat pool, which is the one mostly affected in the past. They found that the annual percentage of business which they have been able to do has gradually fallen off until this year the figure is below 40 per cent. The hon. member for Provencher this afternoon made the point that if you have a siding with only one elevator you have no choice. That is true, but this is what has aggravated the farmer. He finds that if it is a siding with one line elevator that is where he and the farmers in that district deliver their grain. Eight miles further down the line there may be another siding with another elevator, but in this case it is the wheat pool elevator, his own elevator. He finds that the cars are not spotted at the elevators in the right proportions. Sometimes there are two or three times as many cars going to the line elevator company as to the point where there is only the wheat pool elevator.

After they have taken out all the allocated grain which is under quota for that line elevator point, the farmers throughout the country cannot make further delivery. Then suddenly this point is opened up and farmers are allowed to deliver where there is only one elevator, and that is a line elevator. The result is that farmers are unable to sell the grain. They are short of money. They cannot deliver the grain because no box cars have been delivered at their point. They have no cash and they cannot pay their taxes. Finally in desperation the farmers are forced to deliver the grain to the line elevator company.

Figures show that gradually, in the last four or five years, this business has gone from the wheat pool. The percentage going to the line elevator companies is increasing. They are gaining in strength. These companies were the foundation and the basis of the old Winnipeg grain exchange. This stirs up within the farmers the fear that perhaps the wheat board will be thrown out when the big line companies get strong enough again, when they are handling a large enough quantity of grain that they will be able to re-establish the grain exchange.

The farmers are afraid that the wheat board will be done away with and that, after fighting for 50 years, they will be left to the mercy of the line elevator companies and the grain exchange. This is a battle that has been going on for many years, and the farmer will fight desperately to keep himself out of the clutches of the line elevator companies.

When the wheat pool first started, years ago, the line elevator companies tried to meet their competition but were unable to do so. The wheat pool has grown over the years. In the province of Saskatchewan over 1,100 co-operative wheat pool elevators are handling the business for co-operative farmers. Now they find they are unable to deliver their grain there.

Something must have prevented them from doing so, and it was not competition. They beat the line elevator companies in competition every time they met, and they drove the line elevator companies out of business at many points by doing business better and by returning to the farmers the profits of their organization. The farmer got his profits on the grain he delivered there in proportion to the business he did. But somehow, through machinations in the allocation of box cars—this is the weapon which the opposition to the wheat pool has used—the pool elevators find themselves strangled.

We have been trying to find out who was responsible for the allocation of box cars. The transport controller denies that he is responsible. The railway companies say that they do not get any instructions from anybody, and it is simply that freight crews go down and happen to leave a box car at one place or another. They may say all the

elevators are filled and so, if there are four cars, they will send one to each elevator. That means that the farmers' co-operative is only getting 25 per cent of the business and that is all it can get. Perhaps 75 or 80 per cent of the farmers have been delivering their grain to that point. They want to deliver their grain to their own elevator but they have to haul it to the line elevator companies.

Those in control of the line elevator companies have exploited the farmers. When the farmer is forced to deliver his grain to the line elevator companies, the agent will say, "We will give you a good grade on this. I think you had better bring your permit book here, so we will handle all your grain." A regular battle has gone on for some time to win over the farmer.

We can easily understand why the Winnipeg grain exchange wants to get back into business. If they can handle the farmers' grain again and manipulate prices to suit themselves the farmer will have to take the price offered him. They will be permitted to manipulate the price and nobody will be interfering with the principle of private enterprise. They say that the law of supply and demand will be operating again. The wheat pools and the wheat board will be out of the way. The statement of the president of the Winnipeg grain exchange in the past year showed very clearly that what he is aiming at is to restore the line elevator companies and bring back the open market set-up that existed before.

The farmer is alive to that. The chief obstacle to the old grain exchange is the co-operative wheat pool and the Canadian wheat board. The farmers see in this serious behind the scenes set up, where nobody seems to understand the basis upon which the allocation of box cars is made, a sinister move to destroy their organization. That is why they are aroused. That is why they are putting in their protests.

I think the Minister of Trade and Commerce knows that thousands of letters of protest have come from the farmers of Saskatchewan. At any rate hundreds have come to the desks of members of parliament, urging them to support a bill which will give the farmer the right to deliver his grain to whatever elevator he wishes. If he wants to deliver his grain to his own elevator he should be allowed to do so, because it can easily be done. It could be based upon the seeded acreage which each farmer has in the district. It could be arranged in such proportions that each permit holder would tell the station agent at that point exactly the acreage he is seeding and how much of that grain he wishes to deliver for the crop year to his own wheat pool, into Pacific, or into Federal Grain or the U.G.G. or whatever company it is.

On that basis, with the cars coming to that point, the local station agent can allocate them to the elevators proportionately. It might not be exact, but at any rate it would give the farmer the right to deliver his grain to the elevator of his own choice as nearly as it is humanly possible to do so. We had difficulty presenting this case in the standing committee on agriculture last year. We had difficulty making people understand that underneath this whole thing was a basic principle for which the farmer was fighting, and which he wanted established because he saw without it great danger to his own organization and his own rights.

The matter was brought before the committee at the meeting of the 20th of May, 1954, I believe. The question of congestion was explained, but it still did not prove to us why, if the wheat pools wanted to do 70 per cent of the business at a particular point, they should not get 70 per cent of the box cars and should be allowed only 40 per cent. The box cars were there. It is the farmer's own business, and surely he should not be compelled to take his business to the opposition. I think the people of Canada doing business would protest most vehemently if they were compelled to do business with other than their choice. At that time the Minister of Trade and Commerce said, as found at page 517 of the proceedings of the committee:

> I think the problem in the farmers' minds is: how much grain can they market, not with any one particular agency, but how much grain can they market? That is the over-all problem.

That was a problem too. They can still deliver the same amount of grain through the same box cars. The pool elevator agent will get out the box cars just as quickly as the line elevator company if they are spotted in front of his elevator. The minister went on to say:

> We are going to try to solve this problem of car distribution, but if we do not solve it no great principle is going to be violated. No one is going to have any serious loss.

There may be no serious loss in any one year. Perhaps it is only 4 or 5 cents a bushel, but bit by bit it adds up. The minister said no great principle was being violated. I should like to inform the house that we and the farmers feel a very serious and basic principle is being violated. The farmer sees a personal right being taken away. He sees the organization he has established being ruined. I should like the house to understand that the operations of the Winnipeg grain exchange probably represent private industry carrying on

business at its worst. If the people who support private enterprise want to know why the western farmers are against private enterprise, the best evidence they can find is the way private enterprise operators on the Winnipeg grain exchange have become millionaires over the years at the farmers' expense.

The only weapon the farmer has with which to fight is the co-operative organization built by himself. That is the means by which he has fought the battle throughout the years. When he sees his organization being destroyed by any means at all, but particularly when it seems to be in an underhanded way and he cannot get at the root of the trouble, then he feels very deeply about it. I have a letter here from a farmer in my constituency. He says that car distribution is terrible at that point, and goes on to say that the local agent has dropped from about 42 per cent last year to 28 per cent. In other words, he used to be getting 42 per cent of the grain at this point and it has dropped to 28 per cent. It used to be one of the best co-operative points in the whole district, but the agent is down to 28 per cent this year.

The rest of the wheat pool farmers in that district have been compelled to deliver what grain they have delivered to the private companies which have been their opposition. What disturbs them is the danger that this situation may become permanent. It is getting worse and worse. Each year the wheat pool reports a smaller and smaller percentage of the grain handled going through their elevators. More and more each year wheat pool farmers are compelled to deliver to the other elevators where there is space. The space is there because of the allocation of box cars. Wheat pool elevator points have found the situation particularly difficult, even in the areas where they are the only elevators at the particular points. They find that box cars are sent to other points and not to them.

The situation looks rather serious to the farmer and the wheat pool because they feel that through the allocation of the box cars their whole business is threatened permanently. They see what the Winnipeg grain exchange and the line companies would like to do. Their attack on the wheat pools is an effort to discredit the wheat pools and the wheat board. You can discredit the Canadian wheat board if you can get the farmers feeling that there is something wrong. You can discredit the wheat pools if the farmers think there is something wrong with the way cars are allocated.

We feel that a serious mistake was made in the past year in that through some machinations the Canadian wheat board undertook to allocate orders to the various grain companies on a particular basis. We have had difficulty in finding out exactly how the board does operate, but I understand that when they sell a certain quantity of grain they allocate the grain orders to the various companies. If they allocate so many hundreds of thousands of bushels to the wheat pool they say, "You are to send us 400 cars of No. 4 wheat".

I understand that the wheat pool, as nearly as I can find out, is then supposed to say where it will get the No. 4 wheat and the different points to which the box cars should be sent. As a result the farmers in one area will say that they are in the wheat pool elevator at that point and cannot get any cars. Apparently the head office has sent the box cars somewhere else. I do not think any better method could be found to make the wheat pool committees and supporters angry at their own head office. If that is the system under which the matter is being handled, then I suggest it is time something was done about it.

Earlier this session I put certain questions on the order paper in an attempt to find out what was the basis under which cars were being allocated to the various companies. These are the three questions I asked:

1. What is the basis for the allocation of grain shipping orders to the various elevator companies, as now used by the Canadian wheat board?

I just asked what the basis was.

2. When was the present system of order allocation put into operation?

3. How were the percentages for shipping orders as between elevator companies arrived at?

Has it been a 10-year basis? Have they taken any one particular year? Have they taken a free delivery year? The farmers would like to know the basis under which the wheat board is operating, because that will determine to a large extent the percentage of the business the wheat pool now is allowed to do. If they are only going to get 48 per cent of the shipping orders then they are only going to do 48 per cent of the business that year. If the wheat board decides under this system that they are only to get 42 per cent, then that is all the business they can possibly do even though 60 per cent of the farmers in the province of Saskatchewan may desire to do their business with the wheat pool.

That is where the danger lies. These are the replies I received:

1. It is not the policy of the Canadian wheat board to disclose details of its current operations nor the competitive position of various elevator companies in their capacity as agents of the board.

The answers to questions 2 and 3 were, "See answer to No. 1." I was not asking them

to disclose their current operations. I wanted to try to find out by some means how shipping orders were at present being allocated, on what basis, and how the board determined which elevator company would be chosen. I say that because they can determine permanently whether an elevator company will grow or will be wiped out, through the allocation of these shipping orders and box cars. This is the kind of information we want.

The thing that makes farmers particularly suspicious about this is that in past years the box cars that went to various points were apparently taken there by the elevator company, and apparently the elevator company shipped them out to the particular districts under the orders of the transport controller. The man who was on loan as transport controller was a member of the board of grain commissioners. Now, that member of the board of grain commissioners was previously president of the Winnipeg grain exchange, and as transport controller he had wide powers. We cannot find out today who is responsible for this thing; we can only look at the result. The result has been that the line elevator companies have been increasing in power and the wheat pool co-operative organization has been decreasing in power.

The farmers see in this a threat to their organization built around the establishment of the old co-operative, the only weapon they have with which to fight for justice. It is for this reason we are introducing this bill now for the third time. Under the provisions of the bill the allocation of box cars at delivery points would be made according to the farmers' wishes. It is only a simple, basic right. Surely its administration is not too difficult. If cars were going to be delivered to a point they could be delivered at the elevators in proportion to the farmers' wishes. It does not help to hide the whole thing behind a screen of uncertainty, or to say no one knows whose responsibility it is. It does not help to give answers like this, that it is not our policy to disclose the operations of the board. I was not asking for disclosure of the operations of the board, but surely the allocation of box cars and the allocation of business is the business of the farmer.

The members of the farm co-operative organizations are aroused. For years they have accepted the excuse that the trouble was due to congestion and nothing could be done about it. They were told, "You want to sell grain, and we are doing what we can. We might not get all the cars out to each elevator." The farmers have taken that excuse for five or six years and each year the result has been exactly the same. They have ended up with less and less business and the opposition has had more and more business.

Today the wheat pool is making its protest. In the past year at their annual meeting the members of the wheat pool organization protested loudly and stated they felt there was an injustice to them; their patience was exhausted. They have heard excuses. They have heard people passing the buck and saying, "It is not my responsibility, it is his." Another says the responsibility belongs to the railways, and the railways say it is the transport controller. The transport controller says, "I have nothing to do with it."

I am going to say, Mr. Speaker, that in this fight the farmer is not going to give up easily. There is a basic right here that he feels is being violated. It is a right that should not be denied to any Canadian. It is part of his fight for existence. He has seen years of toil go into the production of wheat which he had to sell at less than half of what it cost him to produce. On the other hand, in the years before the wheat board he has seen the annual crop of millionaires coming out of the Winnipeg grain exchange and he is not going to see the wheat board wiped out. He is going to fight through his co-operative organization.

If this protest is not enough, he will make a more violent one. In this fight I can say this, that we are all very proud to be on the side of the farmer.

Mr. Irvin Studer (Swift Current-Maple Creek): It is somewhat disadvantageous to have only one hour for the discussion of a matter of such great interest to the farmers of western Canada. The hon. member for Provencher took about 10 minutes of this hour, the hon. member for Acadia about 10 minutes and the hon. member for Yorkton between 20 and 25 minutes. Since hon. members on the government side of the house are always invited to express their opinion, it does not leave too many minutes in which we may do that. I can assure you that I shall try to do so in less time than it has taken the hon. member for Yorkton.

Much of the discussion has centred around the wishes of the farmers in western Canada. During the last several weeks many of us have received letters from farmers, not relating so much to this particular bill but merely expressing the opinion of those who wished to deliver to the elevator of their choice. I do not think there has ever been any government that has been more susceptible to the wishes of the western farmer than this government. Unfortunately what we are trying to decide, or at least what I am trying

to decide, is how many farmers in western Canada want this bill. Who are the farmers in western Canada who asked the mover of this bill to introduce it in this House of Commons? That is what I want to know, and that is what I am going to find out.

During the course of the last few weeks we have received a great number of letters. The letters are not all in agreement. I think they are mostly from pool members, and some of them are from pool delegates. Some of them are from farmers saying they want the right to deliver not only to the elevator of their choice but to more than one elevator. They happen to be living between two towns, and they want the right to change from one town and elevator to the other. It would seem to me, from the contents of the letters, that the farmers are somewhat fearful of being frozen to one elevator. Unless they choose one elevator and stay with that elevator for a crop year, then I see no advantage whatever in permitting an amendment to the Canada Grain Act that will allow a farmer to stipulate the elevator of his choice.

We want more unanimity of opinion on this matter. I do not know of one Liberal member who has received one letter from any grain grower in Alberta or Manitoba favouring this bill or suggesting that he be allowed to choose an elevator. Now, shall the government enact legislation to suit one area of this country, or shall the government take into consideration the wishes of the farmers of western Canada, or of all Canada for that matter? They are all affected. I would suggest to the farmers of western Canada that they get together and make a decision as to what they want. After they have made that decision they will not find any government that will be more sympathetic to their wishes.

We have heard about the wishes of the farmers of western Canada. We have heard that the farm organizations of western Canada are in favour of what is here proposed. I want to know what farm organization asked the hon. member for Assiniboia to introduce this bill into this House of Commons. Would he kindly stand up and answer? What farm organization in western Canada asked the hon. member for Assiniboia to introduce this measure into this House of Commons; that is what I want to know. I am waiting for an answer. If there is not an answer, then there is only one conclusion, and that is that the farmers of western Canada do not want it. Because if they did want it they would not ask an opposition member who has no responsibility, particularly a socialist member who has absolutely no influence in this House of Commons or anywhere else, to bring a measure of this kind before a responsible government.

If farm organizations did ask him to do that, then why do not those same farm organizations go out into Saskatchewan and ask the Liberal opposition members in the legislature to bring the Rand formula, or any other measure for that matter, before the socialist government in that province? If a Liberal member ever did that, then I say such legislation before the socialist government in Saskatchewan would last about as long as a snowball in hades.

I want the hon. member for Assiniboia to tell us what organization asked him to bring this measure before the House of Commons. And if he was not asked, why has he brought it here? I would ask him what political organization asked him to bring it here. Perhaps he will say it was the farmers' union. The situation that has been described here is one that would lead us to believe that the farmers in western Canada are very mad. Personally I would like to deliver to the elevator of my choice, because I was brought up with farm organizations. I was one of the original signers of the wheat pool agreement, and I have never missed an opportunity to support not only the wheat pools but other co-operative organizations.

If the farmers are mad now, then I would not like to face them two months after this legislation, if it were accepted, was brought into operation. I would not like to see their looks if there was a shortage of box cars, with one elevator full of grain and other elevators empty and the farmers without money. If they were not given the right to move around, then I would like to know how long this legislation would last in western Canada.

So I say the farmers would be a whole lot madder after the passage of legislation of this kind, if severe congestion conditions developed. Such conditions would not be the result of government policy, or government organization, but would be the result of natural conditions that could not be eliminated or helped by anyone. It might be that some would favour those conditions, because we have had some crop during these last years, for which most of us are grateful. But why attempt to compel the government to enact legislation to correct a situation that natural conditions brought about? After those natural conditions have passed I do not think anyone in western Canada would suggest that those same conditions would often be repeated. They have not, up to this time.

The wheat pool organizations have had as high as 53 per cent of the wheat in western

Canada, and they are now reduced to about 43 per cent, or a 10 per cent reduction. The farm grain handling organizations in Manitoba and Alberta perhaps would do even better under the present distribution of box cars than they would by an allocation of box cars through designating the elevator of one's choice.

That is why we do not receive letters from pool members in Manitoba and Alberta. That is why we do not receive letters from pool low-point deliveries in Saskatchewan, where the pools have been receiving only 23 per cent of the grain during these past years. Those pool members would like to increase their deliveries at those points. What works in one place works differently in another. But the over-all picture is one of reduced handling by pool elevators.

If there is any member in the house or any member of any organization in western Canada—any grain handling firm, pool organization, farmers' union or anyone else —who is willing to take on the allocation of box cars in this country, let us have his name and we will give that name every consideration, and wish him good luck in his new position. Because immediately he will have to endeavour to satisfy everybody in western Canada. This does not mean that we are indisposed. All we are looking for is something that will work in the interests of all the people of western Canada. We have no guarantee that this will work; and until we do have, then I do not think any socialist or any other government would consider legislation that at least would not have some assurance of success, or that would have to be repealed within a very short time.

If the farmers of western Canada cannot agree on what they want in the matter of deliveries at grain handling points, then do not expect the government to force agreement upon them. The initiative must be left with the farmer. That is the place to apply it, with the farmers themselves. They should decide what they want. It should not be just one group of farmers or a certain number of farmers in any organization. It should be all the farmers, before any responsible government can cater to their needs. I repeat that no government is more willing to give consideration to the matter than this one.

So I say to the hon. member for Assiniboia that his bill does not come here with the authority it should have. I say to the hon. member for Assiniboia that he should withdraw the bill on his own authority, personally, if he has no authority from any farm organization.

An hon. Member: You are afraid to vote on it.

[Mr. Studer.]

Mr. Studer: Name your farm organization, and we will show you what we are afraid to vote on. Get up and name it. Be a gentleman. I hear no one. I take it silence gives consent to what I have been suggesting. Whenever legislation is presented in the interests of the farmers you will find all the Liberal members voting wholeheartedly in favour of it, because we are anxious to satisfy and please the farmers.

The government accepted the wheat board, and it did not accept the wheat board simply because a majority of the people of Canada wanted it to do so. It accepted the wheat board for the welfare and the interests of the farmers of western Canada. With the world organizations we now have in connection with the handling of grain, and the trading in that commodity, the government does much of the business that co-operatives formerly endeavoured to do. All of us will remember that when the co-operatives, such as the wheat pools, endeavoured to find a solution to the problem connected with the disposal of their grain—"From producer to consumer"; that was the slogan in those days—we ran into difficulties. The government came to the rescue of the wheat pools. It was a Conservative government that came to the rescue, a Conservative government in Saskatchewan, by guaranteeing the losses and the continuation of the farmers' own organization in western Canada.

Some hon. Members: Six o'clock.

The Acting Speaker (Mr. Applewhaite): At eight o'clock the house will resume consideration of the business interrupted at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of Hon. W. E. Harris (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell.

Mr. Quelch: Mr. Speaker, just before five o'clock I had quoted from a speech by Dr. Hannam regarding the conference of the international federation of agricultural producers held at Nairobi. We in this group agree with the findings of that conference. We feel

that surpluses should not be eliminated by a reduction in production but rather by an expansion of markets through distribution of goods to needy people. At home we feel we can expand markets by increasing social services and welfare payments; and to the extent that expanding markets and private enterprise fail to provide jobs, national projects should be instituted by the federal government in conjunction with the provincial and municipal governments, thereby expanding the purchasing power of the people and still further sustaining demand.

Abroad, when foreign exchange and balance of payments difficulties occur, we should be prepared to accept sterling and in certain cases also currency of other foreign nations. In the United States of America, under the agricultural trade development assistance act, $1 billion is being made available for that purpose. Goods worth $1 billion can be sold for foreign currency. Unfortunately, in the United States they allowed the situation regarding these surpluses to get out of hand before instituting proposals of that kind.

Instead of continually criticizing the United States for making surplus goods available to foreign nations by means outside the ordinary channels of trade, we should do likewise in this country. We should give strong support to the proposals that have been made from time to time by the food and agriculture organization to set up a world food board, or agencies such as the international commodity clearing house. We believe the adoption of a two-price system would help to stabilize farm prices at a fair level; but the only real solution is to provide a total market. That would require a change in our financing so that a deficiency of purchasing power, resulting in a lack of effective demand, could be met by financing through the Bank of Canada.

(*Translation*):

Mr. Gerard Legare (Rimouski): Mr. Speaker, the budget speech delivered to the house in April by the Minister of Finance (Mr. Harris) opens the door to an innumerable variety of subjects for discussion. The press has had a great deal to say about the budget and comments have been largely favourable. It has even been likened to an election budget, or a convention budget, as the member for Broadview (Mr. Hees) said, among others.

Had the present government not enjoyed the confidence of the people for such a long time, and were not this confidence continuously increasing, I hardly think the budget would be such as to save an administration in distress. It is a practical budget, based on present economic conditions and possibilities for the current year. The new minister, then, deserves the congratulations of the house and of the whole country for this, his first budget. A greater tax reduction would have been quite popular but anyone familiar with the present international situation and mindful of the threat of aggression will admit that, against its will, parliament has still to devote large amounts to national defence which could be used for a number of other purposes if peace were established.

I shall limit myself today to two topics only, immigration and the economic survey, announced in the budget speech.

The present government policy with respect to immigration causes me to wonder somewhat. Should we continue to admit some 150,000 immigrants a year to Canada until such time as the employment situation is more stabilized?

Some economists believe that immigration, even intensive immigration, is the key not only to our expansion but to our economic progress. We are told that our natural resources are plentiful, that our production should be larger and that an increase in population would mean a greater number of consumers. So far so good, and the majority of the people will go along with that equation.

But what price that equation when we read in the newspapers that thousands of immigrants are out of work in western Canada, while hundreds of others are looking for work in the province of Quebec.

It seems that a large proportion of immigrants turn to seasonal jobs, such as farming in western Canada or mining or forestry in the province of Quebec. Consequently thousands of men, with a large proportion of immigrants, are thrown on the labour market during the off seasons.

On the other hand, we cannot contemplate offering permanent jobs to the immigrants while leaving the seasonal jobs for our present population.

Therefore, so long as our climate remains as changeable as it is today, our seasonal industries will keep on disturbing our labour market.

Quebec was once in a much more favourable position than it is today, especially when lumbering operations were conducted in wintertime. Our farmers or their sons, as soon as the crops were in, were then making for the forest to take up lumbering. Many

labourers from our urban centres also took advantage of the interruption of public works and house building during the winter to take up wood-cutting. Today, as I already mentioned previously in this house, the procedure is reversed, and lumbering operations often start in the summer, with the result that the number of unemployed is much larger in the winter. There are also the Ungava mines where operations are to be interrupted during the winter on account of the temperature which prevails during that season; thousands of workers, of whom many are immigrants, will become unemployed. And these are only a few examples. The problem, in my opinion, is more complicated than one would imagine and the co-operation of all the industrial leaders and the governments will be required in order to bring it to a solution.

I am in favour of immigration as long as the country benefits from it and its present population does not suffer from it. The immigrant himself, who has been attracted to Canada by the popularity of our country abroad, does not deserve to suffer the hardships of unemployment, particularly if he left a regular and permanent job in his own country.

When too much attention is given to the economic aspect of immigration, the human aspect is often forgotten. Our country needs consumers and is able to absorb millions of them, but these consumers represent an asset for us only as long as they produce and are not unemployed.

This problem which is one of the main causes of concern for the government should be placed on the agenda of the royal commission which is going to examine our economic position and its future. Our economy is linked to our productivity, which in its turn is dependent upon our population and foreign markets. Today, there are two seemingly weak links in the web of our economy: our production cannot find enough consumers and our consumers do not enjoy stable enough employment.

In my humble opinion, the proposed royal commission should more particularly try to find the causes of unemployment, study the effects of seasonal industry on the labour market and suggest the remedies which would help not only to give employment more stability, but to find work for a greater number of immigrants.

Until then, if the hon. Minister of Citizenship and Immigration (Mr. Pickersgill) or the hon. Minister of Labour (Mr. Gregg) can bring evidence before the house to show that our immigration policy does not tend to increase the number of unemployed, I know they will render a great service to many hon. members in this house.

I have listened closely to the brilliant speech of the hon. member for Cartier (Mr. Crestohl) in favour of immigration, and, despite his many quotations, he was unable to dispel my doubts.

As I say, Mr. Speaker, I am in favour of increasing the population of this country by all accepted and acceptable means, but only when it can be proved, otherwise than with theories, that the arrival of immigrants, far from increasing unemployment, is creating new jobs.

I am satisfied that the opinion I have just expressed is shared by a number of my fellow citizens. They do not know what to think of our immigration policy, and they are right.

To go in for selective immigration, to attract here foreign skilled labour which is not to be found in this country, that is fine. But that we should admit and attract from overseas unskilled workers, farmers who have never in their lifetime so much as touched a farm implement, jacks of all trades without a trade, as we now have them in this country by the thousands seeking employment, that is what many people cannot understand.

Oh, I know very well that the Progressive Conservatives in this house would like to see the government intensify immigration. We never take in enough immigrants, according to them. Instead of 150,000 we should admit 200,000, 300,000 and 400,000 annually. But who is it, in this house, who have been crying blue ruin because we have thousands of people out of work? Who, among them, could tell the house where the unemployed are capable of finding work at this time and where the thousands of immigrants who are about to disembark will find jobs?

Mr. Speaker, I will conclude by expressing the hope that soon the government will be in a position to show the house with figures to prove their contention that immigrants are not responsible for the present employment situation and that the present immigration policy is such that it is truly beneficial to this country.

(Text):

Mr. R. R. Knight (Saskatoon): Mr. Speaker, the subject under discussion is supposed to be the budget. I use that expression because

I think almost everything has been discussed in this debate as well as the budget. This budget does not seem to inspire any particular enthusiasm. I have heard it dissected by those who are opposed to the government; I have heard it praised by those on the government benches, and I still lack enthusiasm for it. It is not an inspired budget. It is a milk and toast budget. It is a wishy-washy budget. It does not get anyone very excited, least of all myself.

I was interested in hearing the comments of my own townspeople in regard to it, and I found the same apathy there I have noticed elsewhere. However, I should like to report one or two of the things some people talked to me about in regard to these financial measures. One was the injustice of the $60 ceiling on the contribution toward old age pensions under the income tax. In my opinion that is unjust, and most of the people with whom I talked agreed with me.

Another thing they talked to me about was the refusal of the government to make medical expenses deductible from the first dollar for purposes of income tax, as has been recommended at various times in measures introduced by the hon. member for Winnipeg North Centre (Mr. Knowles). When we talked about the fact that there was a little easement in income tax the question immediately arose as to why the level of exemptions was not raised; why that method was not used rather than the other. To the man with the small income the actual dollar relief is small indeed.

Those are some of the things they talked to me about in connection with the budget. Then I had a visit from some of my friends who are automobile dealers and who indicated to me that they felt they had been treated with some injustice. While they welcomed the remission of 5 of the 15 per cent excise tax on automobiles, they resented the fact that they had some new cars on hand on which they had already paid the tax and there was no means by which they could get back that tax money unless this government was prepared to return it. They approached me as they have other hon. members. I have heard their plea put forward here by members of all political parties, including the government party, that something might be done in that regard.

As one might suspect from my treatment of the budget, I rise tonight to say a word or two about something else, namely the catastrophe that has just occurred in my own province and city. We had entered upon this year of 1955, this fiftieth anniversary, with pride and high hope, and it was a tremendous disappointment to us that we had to suffer at the hands of the weather as we have done during this past week. I am referring to the storm which occurred in Saskatchewan.

My city was in the path of that particular storm, which did a great deal of damage. Hon. members no doubt have been reading the headlines in the papers. I have one here, but I would draw attention to the fact that these headlines refer not to the day after the storm but to the day before the storm, or to the day on which the storm occurred. The storm completed the devastation. The Saskatoon *Star-Phœnix* of Tuesday, May 3, indicates that there will be a drastic cut in wheat acreage amounting to an estimated one-third to one-half in some areas.

We are told that this was the wettest April on record. The normal precipitation is ·5 inches, but this month we have had 3·38 inches. Anyone who has lived in Saskatchewan as long as I have, which is 45 years, will appreciate that this is a most unusual occurrence in the month of April. Generally all through the spring we look with anxious eyes at any cloud formation and hope we may get a good shower before June, or better still in June after the crop has been seeded. To start out in a welter of water such as there is this year is something so completely unusual that it has created a great deal of astonishment.

In a different column of this paper it is stated that cattle are being drowned in the Meadow Lake district in the overflowing streams, and that most roads in the province are impossible quagmires. These are some of the things that have happened to us this springtime, which we usually think of as being a warm and beneficent time of year. This year it has become something frightful and menacing.

As to the city of Saskatoon itself, there was an immediate disorganization of power, light, telephone and some transportation facilities. When the transportation broke down the mayor of the city declared a state of emergency. All three radio stations were off the air for some 15 or 20 hours. All this makes one think about what might happen in case of a war emergency. We all remember how the city of Montreal and some of the eastern cities were tied up by the great snowstorm of five or six weeks ago. This makes one realize what the danger would be if something more harmful than a snowstorm happened to one of these cities.

The city of North Battleford and some of the towns close to Saskatoon get their power and light from that city. When the power went off in those towns and cities they immediately tried to wire or phone Saskatoon

to find out what the trouble was, and of course they discovered they could not get through. All means of communication—and when I say "all means" I mean it—had broken down. There was no way of getting any information as to what had happened. It was the next day before the people in those towns and cities knew what had happened to our city.

This storm is calamitous in more ways than one. If there had not been so much wind, as well as the snow, sleet and rain, we might have escaped comparatively free; but we had a combination of rain with sleet and snow. May I say that sleet, although it is common in this eastern part of the country, is very uncommon in the west. When the sun came out again people got around and tried to assess the damage. In the city communications began to be restored, traffic got under way again, and the temporary isolation was put to an end.

Here one should pay tribute to the people who handled that crisis; the city engineering departments and people who, I am told, worked for as long as 48 or 50 hours without a break, and the citizens who co-operated with these departments by lending their trucks and cars, the men of the Saskatchewan Power Corporation and of the Saskatchewan government telephone company, working unselfishly to establish communications.

How must one assess the damage from this particular storm? The provincial government was probably the public body which suffered most, because the provincial and municipal roads were washed out and in many cases impassable. The Saskatchewan Power Corporation, which supplies power and light to a great part of the province, and the telephone system were crippled. For miles the poles were down on the roads. The high voltage wires were down, which in itself formed a danger to the community. The damage to farms is incalculable and certainly, as yet, uncalculated, particularly in the eastern part of the province where there is water everywhere.

I have seen only one estimate of the damage, and that is by Professor Harrington, who is the head of the field husbandry branch of the University of Saskatchewan. His estimate was $50 million in terms of loss of the potential wheat crop. Notice that I said "wheat crop". We are well aware—in fact, it has been stated here today by one or two members who have spoken—of the important place wheat occupies in our national economy. On the basis of that loss alone one might claim that what has happened in our province might be termed a national disaster.

There are three ways, of course, in which this water will produce loss of wheat. The first is that land flooded in the low places will not be able to be seeded at all this year. Second, although they may dry up later, it will be too late to sow the flooded lands to wheat and they will have to be sown to coarse grains instead. Third, the late seeding of lands will produce a decreased yield and will make the crop a great deal more liable to an epidemic of rust, which hurt the province to such an extent this last year. The same thing, of course, applies to frost. There is no particular date when wheat should be seeded in the province of Saskatchewan, within a week or two, but Dr. Harrington estimates the date that wheat should be seeded is about May 7.

An hon. Member: How would you know when to seed wheat in Saskatchewan?

Mr. Knight: Would my hon. friend do me the courtesy to keep quiet? I have listened to his silly drivel often enough, and I have never interrupted him. I may say that I was growing wheat in this country when my hon. friend was coming across from North Dakota. Mr. Speaker, I beg your pardon for laughing, but my hon. friend always amuses me.

Mr. Gardiner: He should make you angry.

Mr. Knight: I do not want to get into an argument with the Minister of Agriculture. May I be allowed to continue. The sad part of this storm and the resulting damage is that a great many people who suffered last year are going to suffer again this year. I am thinking of the northeastern part of the province, Carrot River, Kamsack, and Nipawin districts where they suffered greatly last year and where this year the situation is going to be even more difficult. Perhaps this catastrophe will affect a greater number of people over a greater area than any of the Canadian catastrophes of late years.

If there is one good thing about catastrophes it is that they engender in people a spirit of help and co-operation. They bring people together. When a catastrophe happens, one remembers the pioneer days. When a person's barn was burned down or there was a prairie fire, or something of that kind, people came to help. In these catastrophes we may expect some assistance, and we are certainly expecting some assistance, from the dominion government.

I know it is not a popular philosophy, and in this house of practical men I almost hesitate to advance it, but perhaps we do at times emerge from hardships or struggle better and stronger for the suffering we have endured.

As I have said, that is not a popular philosophy and I do not expect my hon. friends to accept it. But we do need help, from our neighbours and friends. I believe that Saskatchewan, after this catastrophe, will once again prove its resilience. It is not the first time we have suffered catastrophes, whether of drought or of hail or of rust or of grasshoppers, and we have won through. In fact we have been able to contribute help to other parts of the country that have suffered the same sort of thing.

To come to the practical angle of this help for which we must ask the dominion government, we have been told in the last day or two that the premier of our province, Mr. Douglas, has been in touch with the Prime Minister in regard to this matter. Let me say that I thought the Prime Minister's attitude was reasonable when he stated that we must have an assessment from the provincial authorities as to what the damage actually is. Then we hope favourable consideration will be given by the dominion government, who might be reasonably expected to contribute a considerable amount in the way of help.

That is my plea and the reason I rise tonight. I have said something about the loss of provincial services, roads, light and power wires, and so on. Losses to individuals will of course be heavy. When I read about people, for instance, who have lost their cattle, I presume there will be property compensation for the loss of cattle, for buildings damaged by water, etc. But actually the great loss will be suffered by those to whom the making of a livelihood by the growing of grain will be denied for this year. We may as well face the fact that these people are going to be in dire straits by next winter, and the government may count on that in planning their assistance.

Someone has suggested an immediate start on a drainage program, and I think that is a good idea. So far as the land in the northeastern part of the province is concerned, I do know that the provincial government instituted a work and wages program in that region to compensate the people for the loss of their incomes last year. I hope that will be continued, but I suggest it will have to be continued on a much larger scale. I think the northeastern part of the province has some of the finest land in the world, certainly the finest land I have seen, but under present conditions it will have to be drained to be used at all.

That is one place where co-operation between governments might result in an immediate start which would have, as well as its ultimate objective, the result of providing some work for people who for this year at least will not be able to make their usual living from their farms. Therefore my plea is that the government should co-operate immediately with the provincial government in starting some such program. That is the immediate necessity. In the long run the government should give generous consideration to whatever claims for assistance may be advanced by the province of Saskatchewan after some assessment of the damage has been made, and should render such assistance as may be judged reasonable in view of the experience with similar disasters in the past.

Mr. P. T. Hellyer (Davenport): Mr. Speaker, I should like to take this opportunity to say that I for one was very pleased with the budget brought down on April 5 by the Minister of Finance.

Some hon. Members: Hear, hear.

Mr. Hellyer: I think it was a definite step in the right direction and will provide a very beneficial stimulus to our economy generally.

Some hon. Members: Hear, hear.

Mr. Knowles: Are they the ones who helped you write your speech?

Mr. Hellyer: The additional purchasing power left in the hands of individual taxpayers will form the basis of increased demand for consumer goods and services. Inventories will be depleted and the tempo of our giant industrial machine will be accelerated.

The reduction in corporation tax will have a beneficial effect too, but only subject to the following conditions. If the increased profits are used for further industrial expansion it will provide jobs, while at the same time increasing our productive potential even further. If, on the other hand, the tax reductions are passed on to the consumers through lower prices for all products where there is an elastic demand, consumption and hence employment will increase.

Helpful as these improvements are, even coupled with the upswing in economic activity which appears to be taking place at the same time, it may still be necessary for something further to be done in order to provide jobs for those unemployed at the present time and those entering the labour force. There are many ways in which economic stimulus can be provided, but some of them are much more effective and more suitable than others. I should like to discuss one of these possibilities.

I think the time has come when the federal government should embark on the construction of a system of federal roadways, and I should like to suggest that $2 billion should be earmarked for this purpose, to be spent over a five-year period. The reason I say a federal system of roadways is that I believe only in this way can a country of ten individual jurisdictions hope to have a consistently adequate arterial road system. It is true that a start has been made in the form of the joint enterprise known as the trans-Canada highway. It is because of the experience associated with this road that I propose that the federal system should be built, financed and maintained by the federal government. Some of the provincial governments have shown considerable ineptitude in getting proper value for money expended on highways, in particular where the money was raised by the federal government and handed over to them. I think we could expect good value if such a project were administered by this government, and there is no one better qualified to direct such a project than our own Minister of Public Works.

What are the implications of such a system? They are material to a number of individual problems, and it is necessary to examine several of them. First let us consider commerce. There is no need of reciting all the developments which inevitably follow new transportation routes. I do not think anyone will deny that along such a system of roads would spring up new towns and cities, new factories and facilities, new enterprises and developments of all kinds. The stimulus to our commerce generally would be so substantial that it is difficult to project. It can be safely stated, however, that it would be sufficient to warrant the expense and in the long run would repay the cost many times over.

A direct and immediate function of such a system of arterial roads would be a tremendous improvement in our civil preparedness. There are those who state that in this day of atom and hydrogen bombs civil defence is merely a myth. I cannot and will not subscribe to such a theory of hopelessness. There is an excellent possibility that we would obtain three or four hours' notice of attack by any prospective enemy. With even such a short notice, provided the necessary highways for egress from our cities had been built and our civil defence organizations had been properly trained, we could hope to evacuate a large proportion of the inhabitants from any or all of our major cities.

Under today's conditions any plan would be very difficult to implement. An attempt to evacuate the city of Toronto at the present time would cause one of the most fantastic traffic jams in history, and it would take hours to untangle it and get the people either out of or back into the city. To be effective and even moderately adequate we would need three or four eight-lane limited access highways leading out of the city in various directions. This would involve a number of arterial collector roads running through the city itself, such as an extension southward of the present highway 401, an eight-lane Don valley expressway from the waterfront right north to the city limits and beyond, the Spadina road extension, and a widening of the Toronto by-pass highway to a minimum of eight lanes.

It is interesting to note that the usual lack of foresight has been shown in respect to this last-mentioned road, which is only four lanes and will be inadequate 48 hours after it has been opened from the Queen Elizabeth highway to the Kingston road. The eight-lane provision would have to extend outward from our major cities at least 200 miles, because otherwise the congestion at the end of the wide road would work backward and destroy its usefulness. By having several such roads leading from each city it would be possible to use all of them, with the exception of the one over which severe radioactive fall-out would be expected, having due regard to the direction of the wind at the time of any imminent attack.

These facilities for egress should be provided for all our major cities, and proportionate facilities for any others which could reasonably be expected to become even secondary targets. This would certainly include Halifax, Montreal, Ottawa, Toronto, Hamilton, Windsor, Winnipeg, Edmonton, Calgary, Vancouver, etc. Should an attack come and as a result of our lack of foresight the necessary escape routes not be available, it would be a dreadful thing to feel responsibility for such a grievous error.

A third important aspect of a continent-wide highway system would be our tourist trade. It was most disturbing to me to note that in the year 1954 we had an adverse balance with the United States in respect to tourist business. Something must be done to reverse this situation. An examination of the complaints of United States tourists shows that only two are significant, our roads and our accommodation. We have so many wonderful attractions which our United States friends are anxious to enjoy that it seems a shame we are our own worst enemies in making it so difficult for this great luxury loving tourist inflow.

The first half of the problem would be overcome by a really adequate system of

transcontinental and defence arterial highways. The system would, of course, have to be joined to the United States system at all important border crossing points such as St. Stephen, New Brunswick; Rouses Point and Stanhope, Quebec; Cornwall, Niagara Falls, Fort Erie and Windsor, Ontario; Emerson, Manitoba; Estevan, Saskatchewan; Coutts, Alberta; and Pacific Highway port in British Columbia. There may be others, new places, which would also be worth while connecting up. It should also, of course, be connected with subsidiary highways into our various playground areas.

The other half of the tourist problem is, of course, to encourage the building along and throughout the system of great new accommodation centres such as our United States friends patronize and enjoy. These centres should be complete with facilities for sleeping, eating, automobile servicing and, where possible, recreation. Naturally such new and modern centres would be appreciated not only by our visitors but by our own citizens as well. Their building and maintenance would provide a great number of new job opportunities. We could, at the same time, further develop the art of service which is so apparent in some countries which specialize in the tourist business. We should also specialize in Canadian foods and fly the Canadian flag as our United States friends come here to enjoy something different and not just to witness an endless repetition of facilities similar to their own.

It is a fair question to ask how we could finance such a system of roadways. I propose that they should be paid for not out of current revenues but rather by having the cost amortized over a period of 20 or 25 years. The mechanics of this method of financing would have a tremendously stimulating effect on our economic set-up and the results, direct and indirect, would be most gratifying.

In conclusion, Mr. Speaker, I think it is reasonable to affirm that any project which would have such a beneficial effect on our commerce, provide the foundation of civil defence and safety for millions of our citizens, and in many parts of our country increase our tourist trade three or fourfold, while at the same time providing directly and indirectly tens of thousands of new jobs for our people, is so important and so urgent that it should be proceeded with as quickly as properly engineered plans can be prepared.

Mr. Gordon Churchill (Winnipeg South Centre): I propose discussing tonight, Mr. Speaker, the subject of dominion-provincial conferences. This subject is closely related to the Minister of Finance's budget speech, because he devoted several paragraphs to federal-provincial relations. I know that the word "dominion" has become a rather naughty word but it is not yet an unparliamentary expression, so perhaps I shall be able to use it during the course of my remarks. As I have consulted the reports of earlier conferences, I have found that until very recent years they were called dominion-provincial conferences. I find it so much easier to use that term.

I want to talk about what I call Canada's other parliament, that is the dominion-provincial conference which assembled in Ottawa just two or three weeks ago and which will reassemble in October. Canada's other parliament is composed of the Prime Minister and the 10 provincial premiers, assisted by their respective cabinet ministers. At the meeting on April 26 there were in attendance approximately 80 persons, representing all the provinces and the dominion government.

You will recall that meetings were held in the railway committee room. The first meeting was open to the public, with the result that there were more members of the House of Commons sitting in as observers than there were in this chamber. In fact for the two days of the conference the House of Commons could very well have been adjourned. The Prime Minister, and I presume the senior cabinet ministers, were either in constant attendance or very close at hand. I believe we were not able to continue the budget debate on Tuesday because the Minister of Finance wanted to be present at that conference. The press gallery had no other interest except the conference, and the public at large was awaiting with eagerness the reports of the conference because it was recognized that on it hinged much of great importance to Canada as a whole.

The Prime Minister recognized the great interest that was taken in the conference and, thanks to his kindness, I have in my hand a copy of the proceedings at the preliminary meeting. It is the unrevised edition, and the only words I propose to quote from it will be the words of the Prime Minister himself. Since he is present this evening, if there is anything wrong with the quotation he can make a correction. I notice on page 4 that he said:

> Though this is only a preliminary meeting for the 1955 conference, it seems to have attracted a large amount of attention outside as well as inside this chamber.

I certainly agree with that; it attracted a great deal of attention. I propose to examine for a few minutes the history and purpose of dominion-provincial conferences. I will suggest that serious thought must be given to

their development and to the long-term effect on the prestige, authority and development of the parliament of Canada, with particular reference to the House of Commons.

My attention was directed to this subject for two reasons, the first of which I have given; that was the intense interest in the conference which assembled here at a time when the House of Commons was in session. The second reason was that at that conference the Prime Minister took the opportunity of making a considered statement with regard to unemployment and set out certain proposals of the government.

Consider the circumstances. Parliament was in session, and had been sitting since early in January. The subject of unemployment had been under debate for a very considerable time on an amendment proposed by Her Majesty's loyal opposition. Eight days of debate had been devoted to that subject and many members on both sides of the house had spoken. Time after time the Prime Minister was asked to make a statement, to disclose government policy, but remained silent. Yet on the opening day of the dominion-provincial conference, in his opening address to the assembled delegates the Prime Minister dealt at some length with the subject of unemployment and presented the government's plan to deal with the emergency.

This to my mind, or in my experience, was one of the most outstanding instances of bypassing parliament. Frequently members of the opposition complain when cabinet ministers make statements of government policy at public meetings, or by means of press releases, when the House of Commons is in session. We think they should inform the House of Commons first. On this occasion the Prime Minister declared his policy first to the dominion-provincial conference.

The question arising, then, is this. Is the dominion-provincial conference a superior governing body in this dominion? Before that question can be answered one should look at the history of dominion-provincial conferences. That is exactly what I have done, and I shall pass on to the house the information I have gained. The subject, of course, is large and all-embracing, and the time at my disposal this evening is limited. I do not propose now to deal with all the aspects of dominion-provincial relations or go into detail to any great extent on some of these conferences; but here is the history I have found.

There were no conferences of this nature during the first 20 years after confederation. Then in 1887 the premier of Quebec invited the premiers of the other provinces to attend an interprovincial conference in the city of Quebec. Ontario, Nova Scotia, New Brunswick and Manitoba accepted the invitation. Eight days were spent in deliberations among the premiers who were there, and the subjects they discussed were annual subsidies paid by the dominion to the provinces —which they wanted to have increased—and amendments to the British North America Act.

Fifteen years later, in 1902, at the same place, another interprovincial conference was held. Five premiers and nine cabinet ministers from the provinces were present, and the same topics were discussed.

In 1906 the then prime minister, Sir Wilfrid Laurier, was persuaded to assemble a conference at which the premiers of all nine provinces were present, along with their advisers. The conference, however, was mainly provincial. There were sessions at which members of the dominion cabinet sat in with the provincial premiers. The subjects discussed were subsidies, and a resolution was passed urging that the conference assemble annually.

Then in 1910 and 1913 two further interprovincial conferences were held, at which no representatives of the dominion cabinet were present. Similar subjects were discussed, plus representation in the House of Commons which, at that time, affected Nova Scotia particularly.

Then in 1918 Sir Robert Borden called a dominion-provincial conference. He and nine of his cabinet ministers were present. For the first time the chairman at one of these conferences was a dominion cabinet minister, the then minister of public works, Mr. Carvell. The conference was assembled just one week after the armistice, and the subject of postwar development of Canada was naturally of some importance. The main subjects which came up at that conference were soldier settlement, general land settlement, and the return of the natural resources to the prairie provinces. As nine cabinet ministers were present the opportunity was taken, during the course of the four-day conference, to discuss such matters as demobilization, reconstruction, employment, civil re-establishment, taxation, housing, technical education and highways. At the conclusion of the conference Sir Robert Borden thought it was rather useful, and suggested that similar conferences might be held at 10-year intervals.

In 1926 a three-day conference was held, attended only by the premiers of the provinces and their cabinet ministers. There was no representation from the dominion. Again they discussed subsidies and taxation.

The year 1927, Mr. Speaker, was the turning point or the watershed in so far as dominion-provincial conferences are concerned. The seven preceding conferences I have mentioned, with the exception of the one in 1918, had been interprovincial, and in the matter of agenda and subject matter had been largely under the control of the provincial premiers; and attendance, except for a few dominion cabinet ministers at three sessions in 1906, had been limited to provincial representatives. The year 1918 was the exception.

Since 1927 there have been seven dominion-provincial conferences, if I may count the two in 1950 as one. They have been called together on the initiative of the dominion government, and the conferences have acquired an importance in national affairs greatly exceeding their importance prior to 1927.

It was at the 1927 conference that the dominion government exercised its full weight and influence. Of the 46 persons present at the conference of cabinet rank, and I include premiers in that term, 18 were from the dominion. Similarly, in the conferences of 1935 and 1945 the dominion cabinet as a whole participated. These three conferences, those of 1927, 1935 and 1945, set the pattern of procedure and organization of dominion-provincial conferences. I am omitting reference to the conference of 1934, which was very briefly reported; I could find very little about it. I am omitting reference to the conference of 1941, which lasted two days, and I am omitting reference to the two conferences of 1950, one of which assembled in January to discuss constitutional matters, and the other in December to discuss fiscal arrangements.

These three conferences, of 1927, 1935 and 1945, have established a pattern for dominion-provincial conferences which is well worth examining. For example, in 1927 seven days were taken up in a discussion of a total of 40 subjects. These were grouped under three main headings, constitutional, financial, social and economic. Some of the subheadings selected at random are as follows: Senate reform, regulation of aircraft and flying operations, federal subsidies, taxation, customs and excise duties, agriculture, health, immigration, old age pensions, fisheries and Canadian nationality. In one form or other, all these subjects are under discussion almost every year in the House of Commons.

In 1935 the conference lasted five days. Six committees were set up to consider separately the following subjects: tourist traffic, mining development, agriculture and marketing, constitutional questions, unemployment and relief and financial questions. All of these again are subjects familiar to the House of Commons. The purpose of the committee discussions and reports of 1935 may be discovered in the words of Mr. Dunning, who was then minister of finance. He said, and I quote from page 37 of the 1935 report:

> We are receiving these reports in order that they may be submitted to the appropriate legislative and administrative authorities as a foundation upon which these authorities can base effective policy.

In other words the conference was designed to provide a guide for the development of legislative programs. At the same conference the then prime minister, Mr. King, looked forward to establishing the dominion-provincial conferences on a permanent basis and this is what he said at page 9 of the same report:

> This arrangement of continuity and permanence is necessary because co-operation between the dominion and the provinces is too vital a matter to be left entirely for intermittent conferences, and to correspondence between governments. Our secretarial arrangements and our proposed organization are based upon this desire to have permanence and continuity.

At the conference of 1945 dominion-provincial relations burst into full bloom. It was the twelfth in the series, the largest in attendance, the lengthiest and most impressive in subject matter. Sixty-eight persons of cabinet rank were present, assisted by 140 advisers and officials. Their printed proceedings cover 624 pages. They sat here in the House of Commons part of the time and in the Senate chamber on other occasions. The general topic of that conference was reconstruction, and the dominion proposals were put forward under these headings: financial arrangements, public investment, health, old age pensions, unemployment assistance and tax rental agreements. Once again I point out that these are subjects frequently mentioned in debates in the House of Commons.

The year 1955 has seen the commencement of another dominion-provincial conference which after a two-day session in April to draft and set the subjects for discussion in the fall, is due to reassemble in October. The subjects suggested by the various premiers as proper for the conference to consider cover almost the whole field of House of Commons activities. I have listed them all here, but I have not counted them, they are so numerous. However, there were notable exceptions; for example, external affairs, defence. The conference apparently decided to deal with unemployment, fiscal arrangements or taxation, resources development, health and welfare, and most likely will give consideration to holding more frequent conferences. Ever since 1887 the provincial premiers have been suggesting this, and a permanent secretariat.

Well, Mr. Speaker, I suggest this survey raises this question. Why are these dominion-provincial conferences necessary? The answer briefly seems to be that there is something wrong in the confederation that is Canada. These conferences seem very similar to international gatherings such as the United Nations, NATO, or commonwealth conferences. Heads of governments or cabinet ministers representing sovereign states meet together to solve pressing problems. Many of these international gatherings end in frustration. Some people have suggested that a federal union would be better for some of these purposes, for example, among the nations comprising the Atlantic community or among the nations of Europe.

Here in Canada we are reversing the process. We already have a federal union with elected representatives from all the provinces. Why then must the heads of the 11 governments of Canada meet in conference to make plans for the country as a whole? Not content with 11 governments for a population of 15 million, we are now engaged in an attempt to establish a twelfth government superior in functions and importance to the other 11.

The root of the problem seems to be in the field of taxation and administration. And, as I have noted, in all the conferences since 1887 the problem of fiscal arrangements, taxation or subsidies, has come to the fore. In 1945 the present Leader of the Opposition, (Mr. Drew) who was then premier of Ontario, summed it up as follows, and I quote from page 11 of the report of that year:

> There is one fundamental weakness in the British North America Act which lies at the root of many of our difficulties. While the legislative powers of the dominion and provincial governments were defined with reasonable clarity, the division of taxing powers was left in a much less satisfactory position. The provinces were empowered to levy taxes in the field of direct taxation . . . whereas the dominion government was authorized to raise money by any form of taxation. We therefore have the anomaly that, while the powers of the provincial governments have been extended by judicial interpretation of their statutory powers, the dominion government has found it necessary over the years to occupy more and more the only field of taxation which was made available to the provincial governments.

The recurring theme throughout all these conferences from 1887 to the present day has been that these provincial responsibilities have been increasing while the financial resources have not been adequate, hence the conferences, hence the suggestions for more frequent meetings and for a permanent secretariat, hence also the growing importance of the conferences and their overshadowing of parliament.

The problem is clear; the solution has not yet been found. For the last 70 years provincial premiers and prime ministers have been attempting to solve this problem without success. It may yet be done through the medium of a dominion-provincial conference, but in the process we may witness, if these conferences are to continue at short intervals for another 70 years, the decline of the prestige, influence and power of the House of Commons.

The reason I say this, Mr. Speaker, is that the conferences, ever since 1927, are tending to range over the whole field of public interest and endeavour. What purpose is there in debating the subject of unemployment in the House of Commons if the policy in that regard is to be announced first to a dominion-provincial conference and the decision thereon to be dependent, perhaps, on the deliberations of that body? What purpose to debate the development of our resources if that is a subject for the conference in October? Why bother in the House of Commons with the subject of health and welfare if the conference has that on its agenda?

I do not suggest that provincial comments are not necessary and desirable on these and many other matters, but is a full-dress conference the best way to get provincial approval or disapproval? I notice that in his introductory remarks at the conference in April the Prime Minister mentioned that there were other means. He is reported at page 3 of the proceedings as follows:

> Taking place between these main conferences, there have been many meetings of provincial and federal representatives on other and more specialized subjects. I think we may say that there is now more continuing and frequent contact between our government and their officers than ever took place before.

In my judgment there is ample opportunity for the dominion government to get the information it desires. Consider our position here under the federal union. The Canadian federal system is designed to give protection to the provinces through a fixed quota of members in the Senate, and to provide membership in the House of Commons through representation by population. The cabinet by custom and tradition recognizes the provinces in the distribution of portfolios. I doubt if the House of Commons has at any time since confederation been without a number of former premiers and former provincial cabinet ministers in its membership. In the two houses of parliament, if all vacancies are filled, there are 367 persons, each of whom has some knowledge of the problems of the province from which he comes. In every area of Canada there are officials of

the dominion government. Between the provincial capitals and Ottawa passes an endless stream of correspondence. The telegraph, telephone and aeroplane have made communication reliable, speedy and convenient.

It would be interesting to determine the results that have come from the twelve conferences which preceded the one called for this year. What new ideas, what new policies have been advanced following these conferences? Has anything happened at them that could not have been accomplished in the House of Commons? It would be interesting also to know the cost to the taxpayer of these conferences.

I am not unaware of the fact that the desire for dominion-provincial conferences originated with the provinces, nor that suggestions for such conferences have been put forward frequently in the House of Commons. Until April 26 I had not considered the implication of these conferences and their probable effect on parliament. I now entertain grave doubts as to their purpose and value if they follow the course of the conferences of 1927, 1935 and 1945, and if they become a permanent feature of our system of government; certainly so if we are to become dependent on them for the forming of policies for this dominion.

The purpose of these conferences, in so far as I can judge from reading the proceedings, particularly those since 1927, has been to set forth matters of policy, to prepare for legislative programs either dominion or provincial; and in this connection I referred to the remarks of Mr. Dunning at an earlier conference. I suggest that the proposals put forward at many of these conferences involved taxation, and taxation is a problem which concerns this House of Commons. Parliament should decide the amount of taxes to be levied on our people, not a dominion-provincial conference which has quite often indirectly set figures and quotas which resulted in taxation.

I am suggesting that by dealing with dominion-provincial conferences the executive here, the cabinet, is not fulfilling its responsibilities to the House of Commons itself. This is a place where government programs should first be put forward, not at conferences.

Mr. Philpott: Would the hon. member permit a question?

Mr. Churchill: I have just about completed my remarks.

Mr. Philpott: In view of the proposal made at the opening of the recent conference, which involved co-operation among the dominion and provincial governments, would not the hon. member agree that it was a good thing for the dominion to take over part of the responsibility for the unemployed employables, and that this proposal had to be made at the particular kind of conference at which it was made?

Mr. Lennard: That is almost a speech.

Mr. Churchill: That is an easy question to answer, but with due respect to the hon. member I think it is hardly applicable to the suggestions I am putting forward. Certainly the problem of unemployment had to be dealt with, and dealt with quickly, but these suggestions could have been put forward here in the House of Commons. I am directing attention to the general problem of dominion-provincial conferences and their effect upon the House of Commons. An interruption with regard to a detail like that in my opinion is not in keeping with the thoughts which I am attempting to put forward.

I am putting these matters forward seriously, and with the hope that people will examine these suggestions I am making and perhaps be able to destroy them by their arguments. On the other hand, historians may discover later that in 1927, 1935 or 1945 occurred the beginning of the decline of the influence of the House of Commons, which we have heard mentioned on many occasions in the last few years.

However, I am coming rapidly to a conclusion. Throughout the course of these latest conferences mention was made that what was being held was just a conference, that there was nothing partisan about the discussion, that the parties were there to co-operate for the good of Canada as a whole. If they were just conferences, if there was nothing of a party nature about them, why have they been restricted just to government representatives?

I think sometimes we forget that our parliamentary system is dependent upon two forces interacting on each other. There is the government side, and there is the official opposition. I would suggest that conferences of this nature should be attended not only by the heads of the 11 governments of Canada but by the leaders of the official oppositions in the legislative assemblies of this country, along with their advisers.

If you carry this idea of dominion-provincial conferences to a logical conclusion, what happens? You have a government set up over and above the ones we now have, and the result would be a sort of small united nations assembly of Canada. What disturbs me is the effect of all this on the House of Commons.

I will conclude with this statement. Dominion-provincial conferences may continue to be a necessity for Canada. If so,

they should be restricted to the core of the problem, the division of administrative responsibility between the dominion and the provinces, and the division of fields of taxation. Unless complete breakdown of the federal system is threatened, such conferences need not be held except at intervals of many years for any necessary review that may be required due to changing conditions. Dominion-provincial conferences established on a permanent basis holding more frequent meetings, conducted after the fashion of the conferences of 1927, 1935 and 1945, will develop into another parliament for Canada, and will result in the decline of the influence of the present House of Commons.

Mr. Jean Boucher (Chateauguay-Huntingdon-Laprairie): Mr. Speaker, in rising to participate in this budget debate I would like to congratulate the Minister of Finance on the presentation of his first budget. This budget was proposed to give us income tax reductions ranging from 2·8 per cent to 13·3 per cent, and gives at least 80 per cent of Canadians reductions ranging from 12·6 to 13 per cent, effective July 1 of this year.

I believe the Minister of Finance realized that business also needed a shot in the arm and consequently reduced corporation taxes, which will encourage manufacturers to expand plants and production, thus offering more jobs to Canadians. Corporations and businesses are like individuals in some respects. If the incentive is taken away because of exorbitant taxation and the shareholders are not getting a fair return on their investment, financial support is withdrawn, followed by loss of sales and loss of production which leads to lay-offs and unemployment.

This is a time to loosen up and encourage business to expand. The tax cuts are needed in Canada at the present time. We have a marvellous country, a marvellous future, and an almost incredible potential wealth. Our foundations are sound. But the government does not create one single item of tangible wealth. It does not grow any of our wheat, nor does it produce any of our steel, nor does it make any of the thousands of items that create what we now call our material standard of living. The government redistributes the people's wealth. It chooses where the taxes will come from and where the proceeds will go. The hon. member for Eglinton said the other day, and I quote, "This is a budget without any pattern. This is a budget that is not founded upon any principle".

Mr. Speaker, a shot of tonic was needed in our economy. We have had balanced budgets for 10 years or so, which is commendable.

But this does not necessarily mean that we always have to have a balanced budget. The hon. members of the opposition in past years have been asking repeatedly for a reduction in income tax. Now, when the time is ripe for such a reduction, they claim it is a rosy budget and that the government is putting too much faith in the ability of the Canadian nation to develop our immense resources.

Mr. Fleming: Nonsense! Utter nonsense!

Mr. Boucher: As far as I am concerned I am satisfied that the majority of the people living in the constituency I have the honour of representing in this house approve of this budget. Mr. Speaker, the constituency of Chateauguay-Huntingdon-Laprairie is a typical Canadian constituency where English and French-speaking Canadians live together in peace and harmony. Even if industries are a big factor in the economy of our constituency, agriculture remains its most important one, and the dairy industry its backbone. Forty per cent of the population of Chateauguay and Huntingdon depend directly upon the dairy industry, and a much larger proportion of their population derive their income from it indirectly.

Those farmers are industrious, diligent and are attached to their work. Whenever one travels through their well-kept farms one has the impression that those farmers are prosperous. But we must not forget that last year's crop was very poor, almost to the point of failure. In many cases it will be necessary for my people to buy feed for their cattle and seed to sow this year's crop. For that very reason I wish to thank the Minister of Agriculture for taking positive action in the maintenance of the price of butter at 58 cents a pound. I know my constituents will appreciate this very much.

(Translation):

Because our farmers are progressive, because they are always anxious to add to their farm equipment as a means of increasing crop yields, they sometimes have to borrow. Our government, through the Canadian farm loan board, is trying to help farmers by making it easier for them to secure loans. Loans are granted up to a maximum of $10,000, which seems quite reasonable. The various systems of refunding those loans also seem quite favourable. Still, I wonder whether there is not room for improvement in certain particulars pertaining to the qualifications required for securing such loans.

For example, the Canadian farm loan board will not lend to farmers who hold part-time jobs elsewhere. But, is it not a fact that

most farmers who apply to the Canadian farm loan board are precisely those who wish to improve the yield of their lands, so as to make farming their full-time work. Is it not true too that those farmers who take part-time work in this way do so to earn extra cash because, as a result of inadequate equipment, they do not make enough out of farming to live on.

Those farmers have no other purpose than to practise farming exclusively, but not unless and until their lands can support them and their family adequately.

I am therefore of the opinion, Mr. Speaker, that these loans should be placed at the disposal of the farmers, even if they have to do part-time work outside the farm. It seems to me too that the farm loan board is far too strict on the score of mortgage guarantees required of applicants. As a notary practising in an agricultural district where lands are highly productive, I have had several opportunities of noticing how stringent were the board's requirements in this connection.

To my knowledge, a number of farmers have tried in vain to get loans from the Canadian farm loan board. After being turned down, they managed to borrow money from private sources, retired people with private means or from businessmen who would certainly have refused the loan if they had thought for a moment that the property to be mortgaged was of insufficient value to cover the amount of the loan.

I hope those remarks will receive favourable consideration so that in future our farmers will be able to obtain such loans without mortgage guarantees in excess of those asked for by private lenders.

A moment ago I was saying that the Chateauguay-Huntingdon-Laprairie riding derives its prosperity from the excellence of the work done by our farmers and the diversity of the industries established within its limits.

Therefore, I cannot defer to the arguments put forward by members of the various opposition groups who would have us believe that Canada is in the midst of a depression.

At times we may be faced, as in a few parishes in my county, with seasonal and temporary unemployment. However, I have no doubt that its present policy will enable the government to solve this problem once and for all. Already, in our region, we see a strong economic upswing.

I had the opportunity just recently of visiting a large textile mill in the Huntingdon district. I was pleased indeed to note a feverish activity in that mill. I take this opportunity to ask the government to consider seriously the problems facing that industry.

The leaders of the textile industry in my constituency are animated with the spirit of the pioneers of this country. They took chances with their money and placed at the disposal of their fellow citizens their great experience, so that today in Huntingdon we have mills providing employment to a great proportion of the population. The leaders of the textile industry were criticized for insufficiently modernizing their equipment. That criticism could not be levelled at the owners of the textile industries in my riding, because their equipment compares favourably with that of other manufacturers in this country and abroad. Labour is also excellent. Obviously, and it is all to the credit of the present government, our standard of living is equalled or surpassed only by the standard of living in the United States.

It will be readily admitted that it is not up to the government to come to the rescue of the lords of the textile industry who have failed to run their business efficiently. The others should, however, not suffer from unfair competition by nations less privileged in their standard of living. I submit these few remarks on the textile industry, because I am certain that the government will give them serious consideration.

The name of the other part of my riding, the Laprairie district, is now in everybody's mouth. This county, which, historically speaking, goes back to the seventeenth century, has always enjoyed great prosperity. The completion of the St. Lawrence seaway opens up the prospect of gigantic industrial development and, consequently, a much greater prosperity. Many industries are already paying fabulous prices for property adjacent the St. Lawrence river. Home building is growing apace and creating many jobs. Yet, these changes cannot but raise many problems, and I seize this opportunity to commend the government for having appointed as chairman of the St. Lawrence seaway project a man of such experience and such capacity for work as the Hon. Lionel Chevrier, who has proved his mettle for many years in and outside this house. The appointment of the hon. Minister of Transport (Mr. Marler) should also be men-

tioned. His vast knowledge and his long parliamentary experience in the Quebec legislature had marked him for such a post. No doubt that under their leadership all the problems relating to the St. Lawrence seaway project will be solved.

Among those problems there is the price that should be granted to the land owners to be expropriated. Located in one of the most enchanting districts, across from the Lachine rapids and near the metropolis of Canada, these properties have an exceptional market value. And here, Mr. Speaker, allow me to make a special reference to the farms which are being expropriated. Apart from having an excellent market value, due to their privileged location, for housing projects, these farms are also considered to be among the best for market-gardening. Deals concerning market-gardening farms located in the same area are abundant proof of my statement, since the average price arrived at in these deals was about $1,500 per acre, without any buildings. I have no doubt that the St. Lawrence seaway authority will take these facts into consideration and adequately compensate the people who are being expropriated.

Before resuming my seat, I wish also to draw the attention of the seaway authorities to the fact that the very great majority of those expropriated will not yet have been paid when the time comes for them to leave their homes, about the first of June next, if my information is correct. I am told that in the past, in similar circumstances, the government has agreed to pay at once an amount representing 80 per cent of his offer when the parties had failed to come to an understanding. It would be unfair, I feel, to tell those people of whom a sacrifice is being asked in the general interest of the community, those people who did not wish to move elsewhere and change their way of living, who have worked on those farms for many generations since the time when our country was but a colony: "Go away, that is the law; whether you have money or not, you must move elsewhere; it is not our problem, it is up to you to agree to a settlement". Such a stand is not that of a Liberal government; I am convinced that the seaway authorities will understand their duty and thus maintain the confidence that the citizens of Chateauguay-Huntingdon-Laprairie have had for such a long time in the Liberal party.

[Mr. Boucher.]

(Text):

Mr. C. E. Johnston (Bow River): It was not my intention, Mr. Speaker, to take part in this debate. I sometimes wonder why some speakers when they are addressing this house, especially of late, go out of their way to make provocative statements, which sometimes they know are not true. I often wondered if it were not the intention of the government purposely to create this impression so the work of the house would drag on. This type of speech only causes members of the house—forces them, in fact—to get up and reply.

As I said the other day, I was well aware of the fact that there was going to be a speech here against the Social Credit party.

The Acting Speaker (Mr. Applewhaite): Order.

Mr. Studer: I rise on a question of privilege, Mr. Speaker. Did I hear the hon. member say that the statements I made in my speech were not true?

Mr. Johnston (Bow River): You certainly did, without any question.

Mr. Studer: But I was reading from *Hansard.*

Mr. Johnston (Bow River): Your hearing has improved.

Mr. Studer: I ask that the hon. member withdraw those remarks.

The Acting Speaker (Mr. Applewhaite): I was listening to the hon. member for Bow River. I think he did make a remark about members of the house in general which I would have felt, had it been applied to a particular member, would have been the cause of that member rising on a question of privilege. However, I did not hear the hon. member for Bow River refer to any of his colleagues in this chamber by name or by constituency, so I did not interfere.

The hon. member for Bow River knows, without me having to tell him, that stating that any member of the house made statements which he knew were not true is unparliamentary. I did not hear the hon. member for Bow River make that statement with reference to anyone in this chamber. If he is now making it with reference to the hon. member for Swift Current-Maple Creek (Mr. Studer) I have no alternative but to insist that he withdraw that remark. I have said that I did not hear him make it, and I did not understand him as making definite accusations against any individual member.

Mr. Johnston (Bow River): You are quite right, Mr. Speaker. I did not say the member made a statement that he knew to be wrong, because I will give him credit for not knowing just what he was saying. When I say, though, that a statement was made which was incorrect, I think that is quite within the rules of this house.

Mr. Studer: I was reading from the *Hansard* record; that is all I was doing.

Mr. Johnston (Bow River): I shall be reading the record to you in just a few minutes.

The Acting Speaker (Mr. Applewhaite): The hon. member for Bow River has made it quite clear that he did not accuse the hon. member for Swift Current-Maple Creek of making a statement which he knew to be untrue. Therefore, the hon. member for Bow River should be allowed to continue uninterrupted.

Mr. Johnston (Bow River): It is necessary at times for some of us in this house to get up and put the record straight. There are occasions, too, when elections seem to be in the offing, when some members get up—I would not say they do it intentionally—and make statements which when the record is read over are not just as true as they might be. It is my purpose this evening to make corrections in some of these statements. I hope when I have done the hon. member for Swift Current-Maple Creek will be gracious enough to get up and acknowledge that the statement he made was made in utter ignorance of the true facts.

I want to refer, Mr. Speaker, to some of the statements made by the hon. member for Swift Current-Maple Creek as reported on page 3511 of *Hansard* for May 5, 1955. He said:

> I have heard nothing from the Social Crediters who seem to be feeling more or less happy these days with regard to what their prospects may be in connection with future government here in Canada, the financial ability of the people and of the services that they may be in a position to offer to the people of Canada.

Well now, Mr. Speaker, we are quite well aware of the progress Social Credit is making. We are not alarmed about it. The only ones who seem to be afraid are the hon. member for Swift Current-Maple Creek and possibly some of his colleagues. In his desperation he makes statements to this house which are contrary to the facts, and though he may have made them in ignorance, I think he should realize his inability to recognize the truth when he sees it.

Then he goes on, Mr. Speaker:

> But before you can offer any social service to the people of Canada, there is one thing that you must do about it. You must vote for it.

Mr. Studer: Absolutely right.

Mr. Johnston (Bow River): I continue:

> No one can obtain a social service in this country unless through this parliament we vote for that social service. If we vote against the social service, certainly none will be applicable.

He has taken very great pains to say that we voted against a social service. In a few minutes I want to show the hon. member where he was so far wrong that he himself need not be ashamed of it. He went on to say this:

> I think the Social Credit party is active throughout the whole country—

He can be assured of that.

> —in connection with advocating family allowances, leaving people with the impression that Social Credit was possibly the originator of these family allowances and—

He can again be assured of that; it is true. I do not know how he got the truth in there, but he did.

> —as they were possibly the originators they should be entrusted with the responsibility of increasing them.

Of course, Mr. Speaker, we have always supported the principle of family allowances, and that is only too clearly shown in the record. Before I turn to the record, I want to quote just a little more from the hon. member's speech of the other day. I turn over the page to 3512, at the bottom, where he said:

> —in regard to the adoption of the family allowance measure—

Now, notice that.

> —in regard to the adoption of the family allowance measure—
>
> Mr. Knowles: It was no such thing.
>
> Mr. Studer: —the following names are written, and they are written there in indelible ink. There is nothing that any Social Crediter can do that will erase it. They are written there at page 364.

Mr. Studer: Could I ask the hon. member a question, Mr. Speaker?

Mr. Johnston (Bow River): No, you have said enough for a while. You can talk all you like afterward.

Now, Mr. Speaker, I shall produce page 364 in a moment to show that there was no recorded vote on the adoption of the family allowance measure; that is very clear from the record. The hon. member continued:

> The nays are as follows: Blackmore, Bryce, Burton, Castleden, Coldwell, Dorion, Douglas (Weyburn), Fair, Gillis, Hansell, Hlynka—
>
> Mr. Johnston (Bow River): Ten o'clock, Mr. Speaker.
>
> Mr. Studer: —Johnston (Bow River), Knowles, Kuhl, MacInnis, Marshall, Nicholson, Noseworthy—

Now, Mr. Speaker, we shall refer to the record. If the hon. member had taken the trouble—

Mr. Pickersgill: I am rising on a point of order, Mr. Speaker.

An hon. Member: Another country heard from.

Mr. Pickersgill: Is there not a rule, sir, in the house against tedious repetition?

The Acting Speaker (Mr. Applewhaite): The hon. member for Bow River (Mr. Johnston) may continue.

Mr. Patterson: You put your foot in it again.

Mr. Johnston (Bow River): There is no one in this house who should be better acquainted with that practice than the hon. member who has just spoken.

The reason I am taking the time of the house on this occasion is to ensure that these tedious misrepresentations of the facts will not be permitted to continue. Sometimes it is necessary to go to some length in regard to matters of this kind.

Mr. Knowles: Ask the Minister of Citizenship and Immigration (Mr. Pickersgill).

Mr. Johnston (Bow River): When the debate on the address in reply to the speech from the throne was taking place in 1944 the hon. member for Acadia (Mr. Quelch) spoke. And may I say, when we are discussing the speech from the throne, that the hon. member for Swift Current-Maple Creek (Mr. Studer) is entirely wrong when he makes reference to items which he says are included in that speech; because when the address is given we find quite clearly, as is indicated in this year's speech from the throne, that the hon. member moving the address in reply said, as reported in the translation of his remarks at page 11 of *Hansard:*

> That the following address be presented to His Excellency the Governor General of Canada.
>
> To His Excellency the Right Honourable Vincent Massey, C.H., Governor General and Commander in chief of Canada:
>
> May it please Your Excellency:—

And this was what we were voting on.

> We, Her Majesty's most dutiful and loyal subjects, the House of Commons of Canada, in parliament assembled, beg leave to offer our humble thanks—

And so on. We were not voting on any particular item in the speech from the throne. We were simply offering our thanks to the Governor General for having addressed us. It may be that the hon. member does not know this. However, we will come to that a little later on.

Mr. Studer: When the hon. member voted to defeat the government, would there have been family allowances if his vote had defeated the government?

[Mr. Johnston (Bow River).]

The Acting Speaker (Mr. Applewhaite): Order. The hon. member for Bow River may continue.

Mr. Johnston (Bow River): When we did vote on that we were voting confidence or non-confidence in the government. I have never, in the 20 years I have been here, voted confidence in this government, and I do not intend to start now.

Mr. Byrne: That is why you voted against family allowances.

An hon. Member: He did not.

Mr. Johnston (Bow River): The speech from the throne in 1944 said this, in part:

> The family and the home are the foundation of national life. To aid in ensuring a minimum of well-being to the children of the nation and to help gain for them a closer approach to equality of opportunity in the battle of life, you will be asked to approve a measure making provision for family allowances.

Mr. Studer: And you voted against it.

Mr. Johnston (Bow River): The Governor General himself has said there was no measure in his speech dealing with family allowances, but that "you will be asked". The hon. member for Swift Current-Maple Creek does not know his grammar sufficiently well to recognize the future tense. But this clearly says, "You will be asked to approve a measure", and of course that statement was true. Again the hon. member for Swift Current-Maple Creek cannot understand English when he sees it.

Now, when we come to speaking on the address in reply, if the hon. member for Swift Current-Maple Creek had taken the trouble to read the record he would have got it straight. The hon. member for Acadia, speaking at that time, said this as reported at page 153 of *Hansard* for February 3, 1944:

> I very much welcome the government's proposal to pay family allowances. This is a step in the direction we have been advocating for a number of years. We first began to advocate something of this kind in this house in 1936; and I think most hon. members will recall how the suggestion that money should be paid directly to individuals outside the industrial system was scoffed at in this house. We were continually told that we were advocating something for nothing. However, apparently the government now see the light and are proposing to issue money directly to consumers instead of having it paid out through industry.

Mr. Byrne: And you voted against it.

Mr. Johnston (Bow River): I did not vote against it at all. Apparently you did not know what you were voting for in the speech from the throne, and apparently you do not know even yet. For the edification of some of these individuals who do not understand what the speech from the throne is, I shall

refer again to the debate in reply to the speech from the throne, and the reference at page 259 of *Hansard* for February 8, 1944, to the subject of family allowances.

How people can be so stupid as to be able to read and not understand simple English is quite beyond my comprehension. If the hon. member for Swift Current-Maple Creek had turned to page 259 of *Hansard* of 1944 he would have read this—and these are my own words:

> That purchasing power can be made up in several ways. A large portion of it can be supplied through industry, which pays the wages and salaries, but there is never enough paid out by industry in wages and salaries to begin to buy back the products of industry, and so there is always a lag. We have advocated the issue of national dividends to make up that lag. Every other party in the house has criticized and ridiculed this principle of national dividends. In view of that, it is amazing now to see in the speech from the throne mention made of family allowances.

It will be noted that I used the proper expression when I said that mention was made of it, but no proposal was ever included in that address; and that is where the hon. member's mind has been wandering.

An hon. Member: His beard got caught in the previous page.

Mr. Johnston (Bow River): I quote further:

> In view of that, it is amazing now to see in the speech from the throne mention made of family allowances. I have not heard anybody criticize them. Family allowances are in part a national dividend, but only to a very selected portion of our citizens. I am waiting with a great deal of interest to hear what the rank and file of the Liberals supporting the party which proposed these family allowances have to say about that.

This is the part of my speech to which I draw the attention of the hon. member for Swift Current-Maple Creek:

> The principle of the family allowance is sound.

We have never taken any other stand.

Then, Mr. Speaker, when we come to page 362 of *Hansard* for February 10, 1944, we find the vote recorded and, of course, as this was a non-confidence motion we voted non-confidence in the government.

An hon. Member: You voted against family allowances.

An hon. Member: Shame.

The Acting Speaker (Mr. Applewhaite): Order. It being ten o'clock, perhaps this would be a convenient place for the hon. member to move the adjournment of the debate.

Mr. Johnston (Bow River): Yes, because I am now turning my remarks from the address in 1944 to the problem to which it refers, namely the family allowances measure.

On motion of Mr. Johnston (Bow River) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, we are enjoying this so much we shall go on tomorrow.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, May 11, 1955

The house met at 2.30 p.m.

HOUSE OF COMMONS

TABLING OF CIVIL SERVICE COMMISSION REPORT

Mr. Speaker: I have the honour to lay upon the table a report of the civil service commission respecting certain employees of the House of Commons.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 353, for the relief of Franga Beryl Harker Stinson.—Mr. Hunter.

Bill No. 354, for the relief of Enid Gertrude Brooks Bray.—Mr. Hunter.

Bill No. 355, for the relief of Shirley Pollack Nadler.—Mr. Hunter.

Bill No. 356, for the relief of Isidore Hoffman.—Mr. Hunter.

Bill No. 357, for the relief of Ethel Dworkin Abrams.—Mr. Hunter.

Bill No. 358, for the relief of Michael Moses Scullion.—Mr. Hunter.

Bill No. 359, for the relief of Clifford Joseph Linehan.—Mr. Hunter.

Bill No. 360, for the relief of Irene Furlong Walters.—Mr. Hunter.

Bill No. 361, for the relief of Joyce Davies Javallas.—Mr. Hunter.

Bill No. 362, for the relief of Freida Schecter Lupovitch.—Mr. Hunter.

Bill No. 363, for the relief of Gertie Tryansky Katz.—Mr. Hunter.

Bill No. 364, for the relief of Olive Gertrude Meredith Bateman.—Mr. Hunter.

Bill No. 365, for the relief of David Sandler.—Mr. Hunter.

Bill No. 366, for the relief of Marcel Deslauriers.—Mr. Hunter.

Bill No. 367, for the relief of Delmar Ross Andreis.—Mr. Hunter.

Bill No. 368, for the relief of Elizabeth Blanche Nelson Mallozzi.—Mr. Hunter.

Bill No. 369, for the relief of Glennice Maude Hunter Garayt.—Mr. Hunter.

Bill No. 370, for the relief of Irene Jessie Hillson Towes.—Mr. Hunter.

Bill No. 371, for the relief of Vivian Ruth Law Alarie.—Mr. Hunter.

Bill No. 372, for the relief of Joseph Antonio Campeol.—Mr. Hunter.

QUESTIONS

CUSTOMS TARIFF COLLECTED, 1954

Mr. Yuill:

What was the total amount of customs tariff collected in 1954, by the Department of National Revenue?

Mr. McCann:

Fiscal year 1953-54; Import duties, $441,581,409.68.

TELEPHONE LINES, QUEBEC—SUBSIDIES

Mr. Perron:

1. Since 1952 has the federal government granted any subsidies for the erection of telephone lines in the districts of St. Fabien and Ste. Lucie de Montmagny, in the province of Quebec?
2. If so, what amounts were granted annually during those three years?
3. Were the said telephone lines erected by the federal government? If so, what is the mileage thereof, and at what cost?

Mr. Langlois (Gaspe):

1. No.

2. See answer to No. 1.

3. Telephone lines were erected in the districts of St. Fabien and Ste. Lucie de Montmagny by the federal government since 1952 at the following costs: 1952-53, nil; 1953-54, $19,926.84; 1954-55, $10,014.89.

During 1953-54 20 miles of poles and 48 miles of wire and in 1954-55 16 miles of poles were constructed.

HOSPITALS—DISASTER READINESS

Mr. Hellyer:

What action has the federal government taken in the province of Ontario toward preparing hospitals to operate under disaster conditions?

Mr. Robertson: As the third in a current series of hospital disaster planning institutes being conducted regionally across Canada, under the sponsorship of the Department of National Health and Welfare in collaboration with the Canadian Hospital Association, an institute was held on December 2 and 3 at the Hamilton General hospital. The Hamilton General hospital and the Oakville Trafalgar Memorial hospital of Oakville, Ontario, presented detailed plans for study. The institute was attended by the administrators, chiefs of surgery and directors of nursing services of 35 hospitals in the west-central section of Ontario.

It is hoped to be able to arrange in the near future for two more similar institutes for the

benefit of the remaining areas of the province of Ontario. At their conclusion the chief officers of almost 100 hospitals will have received indoctrination and will be in a position not only to complete disaster plans for their institutions but to give assistance to other similar institutions in their vicinity.

ST. LAWRENCE SEAWAY—ENGINEERING SURVEYS

Mr. Fraser (Peterborough):

1. What are the names of individuals or firms engaged by the St. Lawrence seaway commission to make engineering surveys and investigations?
2. What was the amount of the fee paid each individual or firm (a) in 1954; (b) the first five months of 1955?

Mr. Langlois (Gaspe):

1. Dominion Bridge Company Limited, Montreal, P.Q.; J. T. Donald & Company, Montreal, P.Q.; Lalonde & Valois, Montreal, P.Q.; Dr. P. L. Pratley, Montreal, P.Q.; Dr. J. Rousseau, Montreal, P.Q.; Surveyer, Nenniger & Chenevert, Montreal, P.Q.

2.

	1954	1955
Dominion Bridge Company Limited .....$	982.00	nil
J. T. Donald & Company	221.00	nil
Lalonde & Valois	nil	nil
Dr. P. L. Pratley	9,065.00	nil
Dr. J. Rousseau	nil	nil
Surveyer, Nenniger & Chenevert	$16,988.22	$22,035.44

BUTTER

Mr. Argue:

1. Does the Department of Agriculture make butter available to institutions?
2. If so, when was such practice commenced and how much has been made available since that date?
3. How much was made available to each institution and at what price?
4. By what amount, if any, is the selling price below the purchase price?
5. What is the name of each institution, if any, having an unfilled butter purchase agreement with the department?
6. How much butter is still to be delivered in each case?

Mr. McCubbin:

1. The agricultural prices support board has a special arrangement for sale of butter to approved Canadian institutions.

2. February 1, 1955. 932,523·5 pounds were reported as sold up to May 6, 1955, under the arrangement.

3. All requirements of Canada first grade butter purchased and used by each institution are being made available at a discount of 21 cents per pound from regular price.

4. See answer to No. 3.

5. See answer to No. 3.

[Mr. Robertson.]

6. As long as the program is in effect each institution will receive the discount on all requirements purchased for use in the institution.

QUESTIONS PASSED AS ORDERS FOR RETURNS

P.F.A.A.-P.F.R.A.—FORMER MEMBERS EMPLOYED

Mr. Diefenbaker:

1. Are any (a) ex-M.P.'s; (b) ex-M.L.A.'s, on the staffs of or employed by P.F.A.A. and P.F.R.A.? If so, how many?
2. What are their names and their respective duties and salaries?

DEPARTMENT OF AGRICULTURE EMPLOYEES

Mr. Castleden:

How many persons were employed in each province by the Department of Agriculture during each of the following years: 1951-52, 1952-53, 1953-54, 1954-55?

AIR TRANSPORTATION COSTS

Mr. Diefenbaker:

1. What was the total amount expended by the government of Canada for air transportation for: (a) civil servants; (b) commissioned officers in the armed forces; (c) officials and personnel of the Department of External Affairs, during each of the years 1953, 1954 and 1955 to date?
2. Of such amounts, how much was paid to (a) T.C.A.; (b) B.O.A.C.; (c) other air transportation?

Mr. Pickersgill: If the hon. gentleman would consent to have this amended to cover fiscal years instead of calendar years, it could be made an order for return.

Mr. Speaker: As amended, made an order for return.

POST OFFICE DEPARTMENT—THEFTS

Mr. Hamilton (Notre Dame de Grace):

1. Have any thefts of money, postage stamps, or anything of value occurred in Canadian post offices since January 1, 1953?
2. If so, for each such theft, (a) where did it take place; (b) what was the amount involved; (c) what was the date of the theft; (d) has court action been instituted against specific individuals; (e) what was the result of such action, if any?

MOTIONS FOR PAPERS

NO. 11 WORKS CO., R.C.E.

Mr. Fulton:

For a copy of all reports of findings of dishonesty or malpractice in connection with the irregularities at No 11 works company, R.C.E., made prior to the investigations currently proceeding.

He said: May I ask leave of the house, Mr. Speaker, to withdraw this motion without prejudice to the right to replace it on

the order paper at a later date with a motion similar in effect but possibly subject to some rewording?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Motion withdrawn.

CANADIAN BROADCASTING CORPORATION ACCOUNTS

Mr. Fulton:

For a copy of all correspondence, memoranda, etc., exchanged between the office of the Auditor General and the Canadian Broadcasting Corporation and/or the Minister of National Revenue since January 1, 1950, relating to the accounts of the said corporation.

Mr. McCann: I understand the hon. gentleman is allowing this motion to stand?

Mr. Fulton: If the minister wishes, I will allow it to stand, yes.

ALLOCATION OF BOX CARS

Mr. Bryson:

For a copy of all correspondence, telegrams, memoranda, and other documents exchanged between the Department of Trade and Commerce, or any other department of the government and all farm organizations, and between the Department of Trade and Commerce, or any other department of the government and any person or persons, pertaining to the allocation of box cars among elevator companies since October 1, 1953, to date.

Mr. Dickey: The hon. member indicated his agreement to amend this motion, Mr. Speaker, to limit its effect to correspondence between the Minister of Trade and Commerce and the head offices of farm organizations. Subject to that amendment, I understand there is no objection to its being adopted.

Mr. Speaker: The motion, as amended, carried.

POLIOMYELITIS

SUGGESTED DISTRIBUTION OF SALK VACCINE BY GOVERNMENT

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to direct a question to the Minister of National Health and Welfare. To ensure that wealth will confer no privilege, is the government prepared to take over all supplies of Salk vaccine available in Canada for distribution amongst the provinces, thus granting equal treatment to all Canadian children?

Hon. Paul Martin (Minister of National Health and Welfare): I was engaged in discussing another matter with the hon. member for Dauphin, Mr. Speaker, and when one is confronted on both sides by members of the same party one has to think carefully. I have already indicated that as a result of action taken some months ago by the federal and provincial governments regarding the distribution of the Salk vaccine purchased from the Connaught laboratories at the University of Toronto, and later from the institute of microbiology at the University of Montreal, there is no disposition on the part of either the federal or the provincial governments to permit within their borders any situation that would deny to the children of this country an equal opportunity to share in the advantages of this important discovery.

Mr. Coldwell: In view of the doubts that have been expressed about the vaccine produced by private companies in the United States, are any steps being taken to prevent Canadian children suffering ill effects from privately manufactured vaccine?

Mr. Martin: As I said yesterday, steps have been taken by the government to make sure that sources of the vaccine from commercial sources outside this country are carefully investigated. A small supply came in from one company about a month ago. There are some supplies in Canada now that are not at this moment being released. I have previously outlined the steps taken to check on production of the vaccine now under way in Canada.

NATURAL GAS

REPORTED CONFERENCE CONCERNING SUPPLY TO ONTARIO AND QUEBEC

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Prime Minister whether it is the intention of the government to convene a meeting here in Ottawa shortly with all parties who are interested in the supply of gas to eastern Canadian markets in Ontario and Quebec, in order to arrive at a decision on that question, which is of such importance to the gas producers of the western provinces.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, all I can say is that during the course of the preliminary meetings of the federal-provincial conference I had some conversation with the premier of Alberta who told me he was trying to organize a meeting that would take place here in Ottawa between himself and representatives of gas producers, and representatives of companies interested in providing a pipe line, to examine seriously the situation and try to determine what should be done.

I told him that I would be very glad to participate, but that I would prefer if possible that it would not be before the return to this country of Mr. Howe. He told me that it would not in any event have been convenient to have one before Mr. Howe's expected return, but that shortly after his return he would communicate with me and tell me what progress he had made toward organizing that kind of meeting.

Mr. Diefenbaker: Is that meeting going to be convened to determine the question once and for all?

Mr. St. Laurent: No, I cannot say that a meeting is going to be convened to determine the question once and for all. It is a meeting that the premier of Alberta had in mind to deal with a natural resource of that province, and I do not think it would be proper for us to convene a meeting for that purpose. The premier of the province is arranging for that kind of a discussion. Whether the discussion will reach a point that can be regarded as final is something that no one can predict before the meeting takes place.

Mr. Macdonnell: Would the meeting settle the question once, if not once and for all?

Mr. St. Laurent: Well, it is not a meeting that is being arranged by me. It is a meeting that was suggested by the premier of Alberta. Now, I do not know whether anything will be settled even for once. I do not know just what information will be before those who will be attending the meeting. I am sure that what the premier of Alberta had in mind was to try to have a proper assessment of the present situation made to see what could be done to achieve as rapid progress as possible.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, I should like to ask the Prime Minister a supplementary question. I would ask him whether Premier Manning's statement in the legislature yesterday has been brought to his attention, to the effect that the Prime Minister had agreed to a meeting in Ottawa to reach final yes or no answers on gas exports. Is that correct?

Mr. St. Laurent: I was not in Edmonton yesterday and I did not see the report of what Premier Manning said—

Mr. Diefenbaker: Did it happen?

Mr. St. Laurent: —but I told him that I would be very glad to sit in with the representatives that he mentioned as being those he was going to invite. I told him I was sure we would all try to work out something that would mean real progress in the method of handling the surplus gas that is now available in the province of Alberta. I cannot go beyond that.

NATIONAL REVENUE

ALLEGED RELEASE OF INFORMATION—REQUEST FOR STATEMENT BY MINISTER OF JUSTICE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the Minister of Justice (Mr. Garson) or to the same minister in his capacity as Attorney General of Canada. Will the minister investigate the statement made on Monday by the Minister of National Revenue (Mr. McCann) regarding his interview with Premier Frost to determine whether or not the strict secrecy provision of the Dominion Succession Duty Act was violated? If it was, will an information or complaint be laid against the Minister of National Revenue?

Some hon. Members: Answer.

Mr. Knowles: If the Minister of Justice is not prepared to answer today, will he take the question as notice?

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Tuesday, May 10, consideration of the motion of Hon. W. E. Harris (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell.

Mr. C. E. Johnston (Bow River): Mr. Speaker, yesterday when the house adjourned I was discussing the question of family allowances, and had been quoting from *Hansard* for 1944. I was doing that because one hon. member had risen a day or so ago and accused members of this party of voting in 1944 against the family allowances measure which, he said, had appeared in the speech from the throne, and in other places. I had reviewed the part we had played in the debate in reply to the speech from the throne of that year, particularly as it dealt with family allowances, and I had shown from the record that Social Credit members on every occasion had agreed with the government on the principle of family allowances. I had pointed out that the fact we had voted non-confidence in the government in the division on the address in reply did not indicate at that time, nor does it ever indicate when a vote is being taken on the address, that those who voted against were voting against any suggestion made in the address.

I had pointed out that it did deal with thanks being offered the Governor General for making his address to the House of Commons.

I should like now to go one step further in connection with the discussion which took place in the budget debate of 1944. I would ask hon. members to turn to page 4377 of *Hansard* for June 29, 1944, where they will find recorded a quotation I should like now to place on record. It is as follows:

> I was pleased to see the government do one thing; that is, institute family allowances. May I remind the Minister of Pensions and National Health that the principle of family allowances was first advocated by us; only we called it a national dividend.

I made these remarks when I spoke in the debate, as recorded at page 4377 of *Hansard*. In the next column I had this to say regarding family allowances on that particular occasion:

> Whenever I have an opportunity to congratulate the government I am only too pleased to do so, but that seldom happens. The government has been accused of bringing in this program of family allowances as election bait, and I should like to say just a word on that point. As I have said already, I believe the principle is sound.

During the debate other hon. members suggested that the Prime Minister had brought in the family allowances as election bait because an election was in the offing. Whether or not that was the case on that occasion, sir, it seems rather a coincidence that a by-election is now taking place in Alberta. That may be the reason why the hon. member for Swift Current-Maple Creek (Mr. Studer) made the allegations he did a day or so ago regarding this question. Perhaps he had the same thought in mind, but if he has, then I am sure the facts I am placing on the record will serve a very useful purpose in acquainting the people of Canada, and particularly the people of that riding, if he intends to send his speeches out there, with the truth of the matter. I continue with the quotation:

> The Prime Minister stated definitely that the measure would not come into operation until July 1, 1945, and therefore he concluded that no one could accuse him of attempting to buy votes. Just let us analyse the position. I say that the most honourable thing the Prime Minister could have done was to bring that legislation into effect right now and give the people their family allowances. As it is, what is he doing? He is holding a club over the heads of the people of Canada, and saying, in effect at least, "If you do not vote Liberal—"

There was an interruption at that point. A little further down I had this to say:

> I quite anticipated a question like that, and I shall deal with it later on. In effect, the Prime Minister is saying, "If you do not vote Liberal you will not get family allowances. If you do vote Liberal we will give them to you." I think that is the worst kind of political intrigue.

Now, Mr. Speaker, let me apply the words that I used on that occasion to the debate which took place here the other day. If this is being used as political intrigue, then it is the worst type.

I do not intend to refer any more to what I said on that occasion, but I wish to put a quotation on the record which will leave no doubt whatsoever in the mind of the hon. member for Swift Current-Maple Creek, and I hope he will take this to heart. At page 5412 of *Hansard* of July 26, 1944, the hon. member for Acadia (Mr. Quelch) spoke. I have pointed it out many times, Mr. Speaker; I have referred to the votes and I have given the actual quotations of members of this party. But I do not see how it is possible for the hon. member for Swift Current-Maple Creek to make statements such as he did the other day that we had voted against the family allowances measure.

Mr. Studer: May I ask the hon. member a question?

Mr. Johnston (Bow River): No, I do not think so. The hon. member has already talked too much. If he is sorry, he should just keep his big mouth shut. I do not mean that in any offensive way.

Mr. Knowles: It is just a statement of fact.

Mr. Johnston (Bow River): When the hon. member for Acadia spoke on that occasion he said this:

> Mr. Speaker, we in this group believe that the principle of family allowances paid for in their entirety by the national government is entirely sound, and therefore we will support this bill.

If the hon. member sitting over on the other side of the house can understand English at all that should be clear enough for him.

Mr. Studer: Mr. Speaker, may I ask the hon. member a question?

Mr. Johnston (Bow River): To say that we voted against family allowances—

Mr. Speaker: Order. The hon. member for Swift Current-Maple Creek wishes to ask the hon. member for Bow River a question. Apparently the hon. member for Bow River is not prepared at the moment to receive the question. At the end of the speech of the hon. member for Bow River the hon. member for Swift Current-Maple Creek may ask his question if he cannot have the question put now.

Mr. Johnston (Bow River): Thank you, Mr. Speaker. I was just reading the remarks of the hon. member for Acadia and I shall continue them:

> However, that does not mean that we are entirely satisfied with all the provisions of the bill, but

we will deal with them when we are in committee. Personally I am not very much impressed with most of the criticisms—

I want you to notice that, Mr. Speaker.

I am not very much impressed with most of the criticisms that have been levelled against this measure. For example, it is argued that one of the provinces will benefit to a greater extent than the others.

Of course, that reference was to the province of Quebec. I continue:

The same people charge that this is a form of appeasement to Quebec. I do not think that is a fair criticism. If the principle of the bill is sound, and I believe it is, that these allowances should be paid as a right, then what difference does it make where children may live, whether they live in the east, west or centre? As time goes on, that is a situation which may very well change. After all, it is a situation that is fully under the control of the people residing in the respective provinces. They can change it as they so desire.

I hear somebody behind me say: Page the Minister of Citizenship and Immigration.

This is the debate that took place on the family allowances measure itself. I want to conclude in a few minutes by referring to further paragraphs of the actual debate on family allowances when the measure came up for second reading. This is the only time throughout that entire debate, in fact throughout the entire session, when there was a vote on the family allowances measure. Of course, as was indicated in the speech from the throne during that year, the governor general indicated that a measure dealing with family allowances would be placed before us. Of course, that measure did appear and it is the one we are talking about now. The debate on second reading appears on page 5538. The vote is recorded, Mr. Speaker, and you will find that everyone in the house supported it. There was not one dissenting vote. The yeas were 139 and the nays, nil. Surely, Mr. Speaker, no one can honestly rise in his place in this house and say that the Social Crediters voted against the family allowances measure, either as it was mentioned in the speech from the throne or when it came before the house.

I have traced the history of family allowances right from the opening day of parliament in 1944 to the present. The bill was reported, read the third time and passed unanimously, as will be found on page 5757 of *Hansard* for the year 1944. Surely, I cannot make it any plainer than that. I have tried to outline the entire discussion on family allowances; I have traced the discussion through its various stages.

On the speech from the throne, on the budget, on the Family Allowances Act itself; at every one of those stages the Social Credit party supported the principle of family allowances. When the only vote on this motion was recorded the record clearly indicates that Social Credit members voted in favour of the motion. I hope that from now on, since the record has been put straight on this matter, no hon. member will dare rise in his place in this house or outside of this house and say that the Social Credit party ever voted against the family allowance measure.

[Mr. Johnston (Bow River).]

Mr. Studer: May I ask the hon. member a question? The hon. member for Bow River (Mr. Johnston) has been talking through his Social Credit hat. The question I would like to ask is this: the proposal for family allowances was contained in the speech from the throne and I should like to ask the hon. member why he voted for the defeat of the government on February 10, 1944, when he voted against the adoption of the speech from the throne which contained the family allowance proposal. If that vote had gone the other way the government would have been defeated and we would have had to depend on Social Credit for family allowances.

Mr. Johnston (Bow River): The hon. member has asked me a question. It seems to be the mentality of certain people that when they say they want to ask a question it is merely a deception; they have no intention of asking a question, they simply want to make another speech. The hon. member has stated that we voted against the proposal in the speech from the throne.

There was no proposal in the speech from the throne. May I once again read what the governor general said on that occasion. Are some people going to be so stupid as not to understand what the governor general said? Here are his own words:

—you will be asked to approve a measure—

That is clearly an indication that the proposal was never in the speech from the throne. How could it be? It just simply could not be. This is what the hon. member for Swift Current-Maple Creek said in his speech as reported on page 3512 of *Hansard* of May 5, 1955:

—in regard to the adoption of the family allowance measure, the following names are written, and they are written there in indelible ink. There is nothing that any Social Crediter can do that will erase it. They are written there at page 364.

I say that there is no vote on page 364 of *Hansard* of 1944 on the family allowance measure. There is just no such vote there. The hon. member wanted me to answer his question and of course I will answer it. We never voted against the family allowance measure. We have voted non-confidence in the government and shall continue to do so

as long as they put through such measures, which result in the tremendous unemployment problem we have today.

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I hesitate to join this portion of the debate, but I shall do so briefly. There is not too much that I intend to add to the argument between my genial colleague, the hon. member for Swift Current-Maple Creek (Mr. Studer), and my equally genial friend, the hon. member for Bow River (Mr. Johnston). Two such genial gentlemen should be able to get along a little better.

However, to make a long story short I should like to quote the opinion of a former hon. member of this house who unfortunately is now deceased. I think that this hon. member was perhaps better thought of by hon. members in every quarter of the house than almost any other member of the House of Commons. I should like to quote the words of the late Gordon Graydon as reported on page 2541 of *Hansard* of April 25, 1949. Referring to the very vote about which the two hon. members have been talking he had this to say:

> There in *Hansard* on February 10, 1944, is the answer to all those things that have been said.

And again:

> But you cannot drown out the nays that are recorded on page 364 of *Hansard* of February 10, 1944. There are the names of those who voted against the speech from the throne which contained the family allowances measure.

I do not think there was any hon. member of this house whose opinions were more highly respected than those of Gordon Graydon and that is what he said on this particular point.

There are a few other matters I should like to deal with. I just returned from a 4,500 mile trip through my riding, pretty well all within its borders, about 3,500 miles by air and about 1,000 miles by car. I think I have obtained a pretty fair cross-section of opinion as to the state of the nation in those parts.

I gathered that the budget presented by the Minister of Finance (Mr. Harris) was fairly well received. That which was received best was the resistance indicated to the terrific pressure of the past few months, not only in this house but by delegations of various kinds, to raise the tariff on incoming goods. Farmers in western Canada sell their produce on the world market and take what they can get. They do not have too great a quarrel with that, but in return they insist that they be permitted to buy on a market as nearly similar as it is possible to get, particularly that they be able to buy from those people who buy their products.

We have had many speeches, particularly from members of the official opposition, during this session asking for higher tariffs on British woollen goods and other goods. They get up and wrap themselves in the British flag and talk about calling a trade convention of the British commonwealth of nations.

Mr. Ferguson: That is a pretty good thing to wrap yourself up in.

Mr. Harrison: You will get more of this and you had better learn to take it. That is a horse of another colour. On one occasion they talk about a trade convention of commonwealth countries but the moment old Britain sells a yard of woollen cloth under their noses they want something done about it. People in the west, and particularly the farmers in my area, are very pleased at the stand taken by the Minister of Finance in resisting that type of pressure. We are not particularly interested in buying some ersatz type of thermos bottle at twice the price just because it is made in a Conservative riding near Toronto.

The policies of the Tory party have resulted in the representation they presently have in the west. They have nothing else to thank for it. Indicative of their treatment of people in the west is the treatment recently of their leader in British Columbia. I do not agree with their leader in British Columbia in his conclusions regarding the leader of that party in this house; in fact I disagree with him entirely; but I do not think he was treated any too well. Those are the opinions he holds. After 20 years of hard labour in the province of Saskatchewan they have finally elected a Conservative member to the provincial house. Now, lo and behold, our Social Credit friends come along and are going to steal him from under their noses as their Social Credit leader; so our press is telling us.

Mr. Low: Do you believe the press always? Are you so gullible? I can quote you something that the press has said about you.

Mr. Harrison: I should like to quote to you a great authority on this very subject, none other than our friend the premier of Saskatchewan. I shall show you that he is quite an authority on Social Credit. He is quoted as saying in the Saskatoon *Star* of March 2, 1955, in respect to this attempt to gather in this gentleman as leader of the proposed Social Credit party for Saskatchewan, that the Social Crediters should run a want ad. He said that the want ad should read:

> Wanted, an unsuccessful political figure willing to take the position of Social Credit leader in

Saskatchewan, former political affiliations unimportant. Main qualifications—willingness to do what he's told.

Mr. Hahn: Quote something he said about you.

Mr. Harrison:

This is not the first time the Social Credit party in one province has endeavoured to select the leadership of the Social Credit in another province. One thing is certain: If Mr. Kohaly doesn't accept their lucrative offer he is going to make it very embarrassing for whoever does. One would be able to assume that in the meantime the price has gone up.

Mr. Douglas is a man by whose opinion we should be guided in this respect. I have read a few of Mr. Douglas' posters for the election campaign of 1935. It is interesting to read what these posters have on them. The first says "Fletcher". I thought at first that possibly it was "Thatcher", but I see it is "Fletcher":

Fletcher is not a Social Credit candidate.
Signed—H. W. Arnold, Social Credit provincial organizer, Saskatoon, Sask.
C.P.R. telegram.

Saskatoon, Sask.
Sept. 30, 1935.

Rev. T. C. Douglas,
Weyburn, Sask.

This will confirm endorsation of convention held Weyburn, twenty-eighth, of you as Social Credit candidate.

Signed H. W. Arnold,
Social Credit provincial
organizer.

Underneath that it says: "Vote Douglas". At the bottom it says "Issued by the C.C.F.—Social Credit, Weyburn Federal Constituency." The next poster he had put out reads as follows: "Douglas has been a student of Social Credit for many years." Then, in large type, "Douglas has endorsed Social Credit. The C.C.F. will make the Social Credit scheme possible." Either the battles we have had between the two groups in this house are just so much window dressing or this poster means what it says. This winds up by saying:

Vote Douglas

Issued by the C.C.F.—Social Credit, Weyburn Federal Constituency.

While he was here recently, Premier Bennett from British Columbia made some bombastic speeches to the effect that this small group was going to take over the federal government in the next election.

An hon. Member: Are you getting worried?

Mr. Harrison: I am not a bit afraid. You can concentrate on my riding if you want to. Mr. Speaker, I should like to read into the record what has happened to some of these gentlemen in other places. Here I might interject something that I learned from my hon. colleague from Temiscouata (Mr. Pouliot), who is a man of long experience here. He said, "When the balloon is large, you provide the pin." I propose to provide the pin right now. You will find an editorial in the Winnipeg *Free Press* of the 15th November, 1954, which gives an indication as to how this party is doing in other places. It refers to the recent election in New Zealand, when they were also of the same opinion as Mr. Bennett, that they were going to take over there. This editorial reads as follows:

The National party, which promised little except a continuation of its moderate policies of free enterprise, won 43 out of the 80 seats in the next parliament. The Labour party, which promised some tax reductions and increases in welfare benefits was successful in the other 37 seats. The Social Credit party, which promised the voters everything but the moon with a fence around it, failed to get a single candidate elected.

An hon. Member: What was the percentage of votes?

Mr. Harrison: I have some personal experience with this party. In my own riding, since Social Credit has been an entity in Canadian politics, it has run there nine times either provincially or federally. We are right next to the Alberta border and might be susceptible to this type of thinking, but it has been indicated that we are not because on the nine occasions their candidates have lost their deposits.

Mr. Nicholson: Would the hon. member permit an interruption?

Mr. Harrison: I have a long speech to make. When I sit down you can use your time.

The Acting Speaker (Mr. Applewhaite): The hon. member for Meadow Lake cannot be interrupted without his consent unless the person interrupting him is rising on a question of personal privilege.

Mr. Nicholson: On a question of privilege, the hon. member has made a reference to *Hansard*. I have checked, and certainly he is not quoting from the right page. Before he finishes would he produce *Hansard* and give the exact quotation?

The Acting Speaker (Mr. Applewhaite): I do not think that a matter of a misquotation of that sort can be regarded as a question of privilege. If a personal explanation is required, I would suggest to the hon. member who feels aggrieved that he should catch the eye of the chair and make that personal explanation at the end of the speech which is being made by the hon. member who has the floor. I do not think that any personal references have been made by the hon. mem-

ber for Meadow Lake as yet which in my opinion would justify rising on a question of privilege.

Mr. Nicholson: Earlier in his speech the hon. member made a reference to those who voted for family allowances in 1944 and referred to a page in *Hansard*. He made a reference to Mr. Graydon which is not on that page of *Hansard*.

The Acting Speaker (Mr. Applewhaite): I can understand that certain hon. members who have been attacked as a group may feel aggrieved. I do not think that is a question of privilege. I think that is a question of fact or of argument, which should be met at the end of the speech which is being made and not as a question of privilege. The hon. member for Meadow Lake.

Mr. Harrison: I believe that if the hon. gentleman paid closer attention to what I said he would not be making the interjection he is making. If he has any troubles, he can come around and see me and I shall fix him up. There may be a question by hon. members as to what stopped Social Credit from coming across the border into Saskatchewan over such a long period of years. It is not because it has not tried. Of course, many hon. members are familiar with the iron curtain, and some are familiar with the bamboo curtain. But we have a curtain on the border of Saskatchewan that is known as the pussywillow curtain. It may not be important to you people, but it is important to the people of Saskatchewan. As you know, the Social Credit machine runs on oil, and this pussywillow is a very sticky proposition—

An hon. Member: You should know all about it.

Mr. Harrison: —with the result that the machine ground to a stop immediately it got across the border. Those who have got over temporarily have found themselves tickled to death by it and have suffered an ignominious death shortly after getting there.

Mr. Low: You hope.

Mr. Harrison: That is no hope. It is a matter of history for 25 years.

Mr. Low: You hope.

Mr. Harrison: The result has been that this pussywillow curtain has worked both ways. The socialists have stubbed their toes on the roots of this innocent-looking shrub and have fallen headlong into the province of Alberta also. I do not want to confine my remarks to my hon. friends over here, as we have even worse troubles in Saskatchewan.

In my trip I discovered that our friends of the, shall we say, left and the far left, who are in power in Saskatchewan at the moment, are suffering some falling-off in their prestige. There are reasons for this. This fact has been apparent in the northern part of Saskatchewan and the part that I represent because there they have applied socialism to the resources of the province most rigorously. It has not affected the people farther south so much. Now larger municipal units in that area have been rammed down people's throats without any vote. The hottest political issue I ran into when I was home was the proposed compulsory marketing of livestock. In my riding there is a tremendous resistance to that system, although Mr. Douglas says it is going to come. The downfall of the C.C.F. government is not too far away.

Mr. Ellis: You have been saying that for a long time.

Mr. Harrison: The main reason for that is the high taxation they have imposed on the land in Saskatchewan. Around Meadow Lake it is about four times what it was when they took office, and under present economic conditions out there it amounts to being confiscatory.

Finally, the pro-red tendencies of this party which finally came out in this session, and which have been indicated by actions taken by some of their members recently in this house, also are coming home to roost. Hence the party has slipped considerably in the last little while.

I should now like to take you briefly, Mr. Speaker, on a run around the little riding that I represent and give you some idea of the problems that are presented to you, and the variety of them that can be presented in a 3,500-mile trip by air in a riding that occupies nearly all of the north of the province, an area running 500 miles north and south and 250 miles east and west along the border of the Northwest Territories on one side, Alberta on the other and there is only a 60-mile strip of land in between my eastern border and Manitoba. This riding occupies about 40 per cent of the province of Saskatchewan. Being an area of 500 miles in length, running north and south, there is naturally quite a great deal of difference in the economy at the north end from that at the south end. In the southern end you are in an agricultural area. The agriculture is largely of a mixed-farming variety. In the middle you have timber and other natural resources such as fur and fishing. In the north you get into the great Canadian shield where mineral development has just been

commenced but is already on a tremendous scale. Possibly if I took you from one little place to another, and just gave you an idea of what kind of problems you ran into in this area, Mr. Speaker, it would give you some idea of the size of the riding.

My first stop was at Meadow Lake, which is my main market town, about 80 miles north of the southern border. There I attended a meeting of the board of trade and they told me what problems they had. The first problem was an airfield so they could communicate with the large mineral area at lake Athabasca. I was able to assure them that the federal government was going to give them assistance this year in that respect and that work would commence on it this year.

The next problem they had, of course, was the flooding of Meadow lake and this was previous to the storms that have just occurred in Saskatchewan. Meadow lake itself had backed up about 30 miles to South Makwa and much land that previously has been cultivated will not be possible to cultivate this year. The Beaver river, which is usually about 75 yards wide, was some 14 miles or 15 miles wide for distances of 50 miles or 60 miles. I was speaking to one farmer there. I asked him how things were going in that country. This was previous to the recent flooding because they have had three bad storms there since then. He said, "My old man lost about 50 head of whitefaces that went down the river". I said, "Has he got any left?" He said, "Oh yes, he has a few. Some he took off the islands. When it flooded last year he was not able to get them off until December on account of the ice being thin and the fall being mild".

This is an indication of the kind of thinking that you get in that part of the country. These people were pioneers and they still have the pioneering spirit. They do not run to the nearest government with their troubles. They look after a great many of them themselves. It is not that they do not have troubles. But with all this flooding, I have not had one communication from Meadow Lake, and it is just as hard hit as is any other place in Saskatchewan. That is a tribute to the type of thinking in that part of the country. The main thing that they want—particularly from their experience over the last 10 years—is as little interference from government as possible. That has been their trouble.

I was able to charter an aeroplane, I might say, in Meadow Lake, and we took off for Green Lake, 35 miles east. The troubles we ran into there were that the provincial government had talked the metis into relinquishing their land and had given them in return a 33-year lease. Having done that, they proceeded to take the timber off it and they said that now belongs to the provincial government. This left the metis without much means of support because it was on timber and lumber that they had depended in years gone by.

At Beauval, 100 miles north, where there is an Oblate mission which has been there for many years, the problem there was the payment to trappers and fishermen of compensation by the dominion government for loss of their fishing and hunting grounds taken over by the Cold Lake bombing range. Going further to Ile-a-la-Crosse, the problem of the bombing range was about the same. They also required a new wharf as the present one is so dilapidated that it cannot be used at all. Most of their freight comes via water, and this is greatly needed.

Then I come to Buffalo Narrows, which is quite a fishing centre in the middle of Saskatchewan, situated on the Churchill and Peter Pond lakes, two of the large lakes in the Churchill river chain. Buffalo Narrows, I might say, is a fishing point that produces and processes over half the commercial fish caught within the province of Saskatchewan. There I ran into a small problem. Two war veterans wanted their veterans grant to go into the mink raising business. I found that the main topic of conversation there was the new policy with regard to mink raising in that area, which is proposed by the minister of resources in the province of Saskatchewan, Mr. Brockelbank.

It might be well for me to quote what the old policy was. The old policy was that the fish allowance was based on political expediency, and in the Churchill lake area and Buffalo Narrows, the mink raisers were limited to a catch of rough fish for their mink of 1½ to 2 million pounds but they were carefully selected, and particularly before an election. Any mink raiser who showed a tendency to vote against the present government in Saskatchewan, although he might have 1,500 mink on hand and naturally required fish with which to feed them, was suddenly cut in his fishing rights to requirements for 300 or 400 mink. He was thus forced, maybe in the summertime, when the mink fur would have no commercial value, either to dispose of them to a party adherent who could get fishing rights, or to let them die. This policy has been changed and when Mr. Brockelbank made the announcement of the change he said that as a result of research in the area it was found that instead of the lakes being able to support mink on a catch of 2 million pounds of rough fish the lake could quite easily sustain a catch of 7 million

pounds of fish for the use of mink. This caused considerable amusement amongst the mink raisers because they found that Mr. Brockelbank's policy was mainly contingent on a policy formulated in Newfoundland by one Joseph Smallwood. Now, the mink raising policy in Saskatchewan is being run by remote control from Newfoundland. Mr. Smallwood ran advertisements in the newspapers in Saskatchewan asking the mink raisers there to go to Newfoundland and he would pay all the expenses of moving them and their equipment. There would be no monkey business about licences for fishing, and they would have adequate supplies of fish. Two or three of them did move out of the district and the net result was that Mr. Brockelbank found his department had done a lot of research and ascertained the lake would support many more mink. The mink raisers were happy about this because they know that in the future their licences will not be revoked, leaving them up in the air with a lot of mink that they cannot feed.

The next point from Buffalo Narrows was Cree lake. It is 150 miles northeast of Buffalo Narrows and about 275 miles northeast of Meadow Lake. It is a fisherman's paradise, well known to United States fishermen who come up to catch lake trout, giant muskies, and Arctic grayling which abound in that lake. The problem at that point may seem a little strange to eastern members since it related to the mail service. They asked for a once a month or once every two months service. At the moment the residents have to go to Buffalo Narrows, 150 miles away or 300 miles for the round trip to get their mail. I am therefore sometimes somewhat amused by members complaining to the Post Office Department because their mail is not delivered twice a day instead of once.

At Black lake, which is 130 miles north of Cree lake and just east of the east end of lake Athabasca, a problem was put before me by the Chipewyan Indian band. They wanted a portable sawmill to be used by the mission at Black Lake to make lumber for the erection of buildings for their own use. The power for it would be supplied by the mission tractor, and the resident priest, who is an expert sawyer, assured me they could make very good lumber and I am sure they could. The chief of the tribe, a gentleman by the name of Chicken, was exercised over the fact that the people from the United States were coming into the area in larger numbers every year to fish for grayling and were forcing the Indians from some of their traditional camp and fishing sites. He had no objection to these people coming there to fish, but he would like some legal status for the Indians set up by this government that would entitle them to a small acreage that had been traditionally theirs, and the various sites around the lake which they have always used. It seemed to me this would be a wise provision.

There was a problem, too, with regard to a school for the children. Recently the mission granted the use of their building to start the school in operation, and no doubt a school will be built there.

At Stony lake, just west of Black lake, the problem was an outbreak of flu. I was not able to do anything about that.

At Stony Rapids, which is at the extreme east end of lake Athabasca, there is an air base and a future power site. They had no problems whatever, so that was a good spot for a politician to be.

Fond-du-lac, 100 miles west on the north shore of lake Athabasca, has been a Hudson's Bay Company trading post for about 100 years. The mission has been there nearly as long. A new modern mission and a large four-room school were built there last year. The problem there concerned a dock because the very rugged terrain on the north shore of lake Athabasca makes it nearly impossible to land goods or people there. They wanted a small dock so they could dock planes or barges and embark or debark people and goods.

Now, we come to Uranium City and the Beaverlodge area. This is something I wanted to include in my remarks particularly because some newspaperman who usually writes articles for the Saskatchewan provincial government was in there last winter, and for some reason or other came out with the idea that this area was going backward. He gave it considerable publicity of an adverse nature. I have been going into that area yearly since 1944, and sometimes twice a year. The first organized search for uranium started there in 1949. Since then, in my opinion, there has been a tremendous development. I see it every year. In 1953 when the federal mine came into operation and the $20 million 750 ton a day mill went into operation, there were real signs of the progress that has taken place. I went over this mill thoroughly on a couple of occasions including this trip.

The mill employs about 750 men, and the manager tells me that from his experience, which covers some 40 years in the various provinces of Canada, for every man employed in the mine or mill about four other people will be employed in the district. With other mines coming into production in that area,

he tells me the result will be that at least 15,000 people will be working in the area within the next two years. He also told me that there are already 120 million tons of high grade ore proven in the area.

I flew from there about 20 miles south to the new Gunnar mine. This is something that is hard to believe unless you see it. Eighteen months ago, it was nothing but wilderness on a point of land which jutted out into lake Athabasca. A year and a half ago there was nothing there, but now there is a commercial empire consisting mainly of a $25 million plant covering many acres which will be in production by the middle of August. In order to give you some idea of the size of this new plant, I may say that the power for it is produced by a diesel electric plant. This diesel plant will produce more electrical energy than the proposed South Saskatchewan dam. The Gunnar mill works on an acid process because their ore is a little different from that at Eldorado mine about 20 miles north. They have put up their own sulphuric acid plant which occupies about half a city block. The pile of sulphur alongside it is about 80 feet high and half a block long. They have built their own new hospital, and I am told that they poured 10,000 cubic yards of concrete there last fall in a month and a half. This will give you some idea of the magnitude of this undertaking. Gunnar has a mill that will produce 1,250 tons a day in its original form, and is quite easily expandable. Only the chemical process has to be expanded. The rock crushing process is adequate to cover an output of 2,000 tons per day. The federal mine is also so designed, and will likely be extended shortly, to handle 1,500 tons a day. There are many other mines in the area. These are private mines, some of which are in production. These are Lorado, National Explorations, Rix, Nicholson and Nesbitt LaBine. There are 70 or 80 others in various stages of development. I might say that Lorado has run into enough ore that they will put up a $5 million or $6 million mill.

I was given the opportunity to hear the complaints in that district, when I attended a meeting of the board of trade, and also a Kiwanis dinner. These were as follows:

1. That they required a federal custom mill to handle ore of the smaller mines. I asked what it would require, and they said they would need one having a daily capacity of 1,500 tons.

2. The facilities of the army signals at Uranium are not adequate either in personnel or in equipment to handle the heavy air traffic at that point. They say that the private plane radio band is not guarded and tuned in for signals from such planes. I intend to take that matter up with the Department of Transport.

3. They complain of inadequate staff for the Royal Canadian Mounted Police to cover a new frontier area of this size. There are two men during the daytime and one man at night. It will be recalled that there have been some outbreaks of lawlessness in the district in the last while, and these people think they should have more adequate police protection from the Royal Canadian Mounted Police.

4. They ask for immediate over-all planning by the provincial government of the road system, sewers and water system, and other services such as hospitals, schools and communications, to prevent a hodge-podge of small communities at various mine sites. This was exercising them quite a lot. Many of the mine managers thought that Saskatchewan was more backward, as a province, in coming to the aid of mining, than any province in which they had operated. It appeared to them that, the way provincial authorities operated, they did not want mines there at all.

5. They ask for the elimination of the provincial education tax on mine development material, and point out that this is very important. Making a computation of what they contributed to the education tax last year in the province they found that it amounted to about $2 million in that little area, alone. In other words they provided about one-sixth of the education tax moneys being raised in Saskatchewan, and were not getting much in return.

6. They asked for the enactment of new labour laws by the Saskatchewan provincial government to replace those now in effect, which were described by the mine union as the worst in Canada.

7. They asked for the completion of Saskatchewan highway No. 4 from 40 miles north of Meadow Lake to lake Athabasca, to open up further mine territory and provide communication with their own province of Saskatchewan. In this connection I would join the hon. member for Davenport (Mr. Hellyer) who spoke last night and suggested a contribution by the federal government—or, even better, operation by the federal government—of a system of federal highways. Unless some foresight is shown, similar to that which was shown when the Canadian Pacific Railway was pushed across western Canada, this area will lag in its development. This is a storehouse of Canada. That area, and the Northwest Territories, comprise a storehouse of minerals, so far as Canada is concerned. Some foresight must be used in

developing this area, not only for the advantage of those who live there but for all the people in Canada. That is a place to which our expanding population can go, and where people can reside happily.

One would be surprised to see just how modern some of these northern communities are. It was my privilege to go as far north as the north shore of Great Slave lake, and to visit Yellowknife. I was impressed by the modern buildings in which these people live. The same applies of course to the mines at Beaverlodge. The people there live under modern conditions. The wages, naturally, are high. It is my view that those gentlemen who are concerned about what will happen to the coal miners should look to this area. It is a country where an outlet could be found for the energies of those miners. A north-south highway in the lake Athabasca area would give them connection with their own province. At the present time they cannot get into the ordinary commercial areas of Saskatchewan.

Then, the last suggestion:

8. They ask for the extension of the Canadian National Railways line from Lynn Lake around the north shore of lake Athabasca to the Uranium-Beaverlodge area to open up the richest mineral storehouse in Canada.

This may sound fantastic, but stranger things have been done. It may require a couple of hundred miles of railway line, but it would open areas having tremendous timber and mineral resources.

I think, Mr. Speaker, I have occupied the time of the house long enough, and I am pleased to have had this opportunity to place my remarks on record, setting out what these people would like to have done.

Mr. Hamilton (York West): Is the hon. member aware that the name "Thermos" is a trade name of a vacuum bottle, just the same as the name "Frigidaire" is the trade name of an electric refrigerator?

Mr. Harrison: I am aware of the fact, as I was in business for many years, and I recognize that trade names usually mean something. I know that the word "Thermos" on a thermos bottle indicates to me that it is a better bottle than any other on the market, coming either from Japan or from my hon. friend's riding. That also applies to many other products bearing trade names. People buy those articles because they find that, by and large, they do not get stung when they purchase products having trade names. I believe that answers my hon. friend's question.

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I was interested in listening to the discourse of the hon. member for Meadow Lake (Mr. Harrison) when he said that he had travelled 3,500 miles by aeroplane. I do not doubt that he could travel that distance in his constituency. The only comment I would make after listening to him is that possibly he flew too high, and found himself up in a rarefied atmosphere.

Mr. Harrison: At 5,000 feet.

Mr. Bryson: His great knowledge of provincial affairs has led me to the belief that possibly he has his eye on the leadership of the Liberal party in Saskatchewan. Certainly one could draw that conclusion from what he said this afternoon. However, I do not think any C.C.F.'er need worry much in Saskatchewan about any serious opposition from the Liberal party in that province. We have had a pretty good indication this afternoon, from the two speeches of Liberal members from Saskatchewan, as to what chance they have out there. Those speeches certainly just drove another nail in the coffin of the Liberal party in that province.

On two occasions yesterday two hon. members spoke somewhat briefly about conditions as they exist in that province at the present time. For a few moment only, this afternoon I should like to say something on the disaster that has occurred in that province during the past few days. I might say at the outset that the feeling of fear and concern over the possibilities of a crop being sown in Saskatchewan has been growing during the past few weeks. However, the storm of last week has left little speculation as to what the prospects from now on are going to be in respect to harvesting a normal crop in that province. It is a fact that we cannot ignore. Even before there has been any final assessment of the damage, we can take it from the best authorities that it is the worst single disaster that has ever happened there, and, for that matter, the worst single disaster that has ever happened in any province in the Dominion of Canada. We speak of "Hurricane Hazel" and "Hurricane Edna". I would suggest that "Hurricane Hazel" and "Hurricane Edna" combined were by comparison just minor disturbances. The estimates of the damages of those two hurricanes were $21 million. Just a glance at what has happened out in Saskatchewan by people who have made a casual survey leads them to believe that the damage will exceed $50 million. The estimate will be much higher, I am sure, when the final assessment is made.

The night before last I spoke over the telephone to a party in Regina who told me that the Qu'Appelle valley was flowing from bank to bank, something which I am sure had

never occurred before in the memories of oldtimers. Preliminary estimates, as was mentioned yesterday by the hon. member for Saskatoon (Mr. Knight), made by Professor Harrington show that the crop damage will be 50 per cent. By that I mean that 50 per cent of the crops that normally would be sown in all probability will not be sown. Except in one or two isolated areas such as Rosetown and Kindersley, the damage is very widespread. The statement made by the Minister of Trade and Commerce when he arrived back from his recent trip, that Saskatchewan has never lost a crop in May, was very unfortunate. That is the kind of statement we expect to hear from some hon. members but certainly not from a responsible minister such as the Minister of Trade and Commerce.

One of the most serious aspects is this. All of the crop that will be sown from now on—and incidentally, since the report was made that I mentioned, one inch of rain has fallen in Saskatchewan, adding to the very gloomy and dismal picture out there—will be in coarse grains. The wheat that will be sown will be late. In all probability it will be rusted as it was a year ago. Agricultural scientists tell us now that rust spores survived the winter in the southern states, and in all probability a late crop once again will be affected, with the exception of coarse grains and the very small amount of Selkirk wheat that will be sown.

It is very difficult at this stage—I am the first one to admit it—to estimate what the damage in the final analysis will amount to. To give the house some idea of how terrible it is, in the report that I received from there yesterday municipal officials say that throughout the whole of central and northern Saskatchewan the water is flowing in unheard of directions. It is running in directions that it had never run before. Roads are impassable. That was mentioned yesterday. In many places the water is running eight feet deep over the highways. In the town of Humboldt, in my own constituency, in the past two weeks people have been travelling around by boat and on foot. Not one bushel of grain has been taken to an elevator in the last two weeks. That is a very serious situation. Farmers in the Meadow Lake area, in the area of the hon. member who has just spoken, have been able to travel from Leask to Blaine Lake, a distance of 18 miles across country, in a motorboat, something before unheard of. Losses of livestock are heavy. At Meadow Lake one farmer has already lost over 500 head of cattle. Feed is scarce. Even if feed were available they cannot transport it over the roads, which is a very serious situation indeed. Similar conditions prevail in all but the one or two isolated areas I mentioned a moment ago, particularly the Kindersley area. Certainly such a condition is disastrous, but when we stop to realize that last year we had a crop failure in Saskatchewan and combine that fact with conditions today, we have something that is more than a disaster. We must view it not only from the point of view of the Saskatchewan farmer; we must view this disaster from the effect it will have on the whole economy of Canada.

Only a few weeks ago in his budget speech, the Minister of Finance (Mr. Harris) said that three-quarters of the drop in the gross national product was caused by the crop failure in western Canada last year. Think of what it is going to mean this year to the gross national product under the conditions that I have outlined. In view of this, I make this suggestion. For every acre of land that will be taken out of production because of land flooding the dominion government should make a payment of not less than $10. I do not care what they use for the cut-off date. They could say that land that is not sown after the first day of June will qualify. The Prairie Farm Assistance Act officials are now in the field and they could easily make the necessary surveys. I make that suggestion in spite of the statement of the Prime Minister yesterday in reply to the hon. member for Prince Albert (Mr. Diefenbaker) that any consideration that will be given will be given in lieu of the damage to public property in that province. I hope he will reconsider that statement in the light of this very great disaster.

Public damage has been severe. I am not going to speak of it at this time. It was dealt with at length yesterday by the hon. member for Saskatoon. Power lines, telephone lines, utilities of all kinds, municipal culverts, roads and so forth all need repairs. However, while property damage is a considerable factor and of great concern to those who lost their houses, and so on, the most important factor is the loss of farm income. It is necessary that payments be made in lieu of those losses if farmers are to carry on until another harvest.

Last year, the Saskatchewan crop was cut by 36 per cent. However, by lowering living standards, by extending their credit to the very limit, they were able to carry on. They were able to hang on in the hope that they would secure a normal crop this year and thereby be able to recoup their losses.

As I said a moment ago, the crop that will be sown after a week or so will be

coarse grains. I can imagine the Minister of Agriculture saying it can be fed to hogs. I know he will also say that farmers in Saskatchewan are in a preferred position because hog production is up 26 per cent this year over last year. I would point out to hon. members that our farmers are not going to pull themselves out of any financial difficulties by feeding barley to hogs. Barley is sown because it will mature a little earlier, but if it cannot be sold as grain it will have to be used or sold as feed for hogs.

I have here a report which indicates that early in April the hog-barley ratio at Winnipeg was about 16·3. This means that 100 pounds of live B1 hog was only equal in value to 16·3 bushels of No. 1 feed barley. A year ago 100 pounds of the same kind of hog would buy 30·5 bushels of barley. Or to make another calculation, the hog-feed margin, which is the difference in value between 21 bushels of feed value and a 150-pound hog carcass, stood at $10.45 early in April this year while a year ago it was $31.96.

I should like to make two other suggestions. I submit that it is absolutely imperative that the balance of the Prairie Farm Assistance Act payments be made at this time. To date 10 per cent of the farmers have yet to receive 40 per cent of that payment. I submit it is necessary that this payment be made with the utmost dispatch in order to alleviate the acute distress which is being suffered by Saskatchewan farmers because of recent flood damage. I would suggest also that the Department of Trade and Commerce make the final wheat payment immediately as this would help in this great emergency.

Far and beyond these payments, there is need for further assistance along the lines I have just suggested, with the dominion government paying not less than $10 per acre for land which will be taken out of production because of flooding. I feel that we are justified in asking for this, as in my opinion the request is a fair one. Workers in other industries are eligible for unemployment insurance benefits when they are out of work. These benefits are made available to augment their income when they are not working. The government is also giving consideration to making payments over and above these benefits when the unemployment insurance has been exhausted.

I certainly feel that $10 per acre is fair. It falls far short, and necessarily so if we are going to be fair about it, of the value of even a subnormal crop. As I say, this would be of great help in alleviating the present distress being experienced by farmers in Saskatchewan. I feel that the question of making payments for unseeded crops due to flooding will have to be considered next fall by the P.F.A.A. officials. I do not think the government will be able to put off making these payments, as they did last year. They will have to face up to the problem next fall in any event, but why delay? I realize that there will have to be an amendment to the act, but why delay making these payments? They should be paid now when they are needed most and when they will do the greatest good.

Mr. N. C. Schneider (Waterloo North): Mr. Speaker, I must speak to this house on one part of the problem of unemployment which concerns many of my constituents who have spent the best part of their lives in the manufacture of two commodities, supplying most of Canada's needs in the past and exporting millions of dollars worth to other countries. They have made a great contribution to Canada's prosperity and growth in the past and are now facing an economic situation which, in the one product, has reduced Canadian production of rubber soled canvas footwear from a high of over six million pairs in 1947 to less than two million pairs in 1954. Exports have dropped to a fraction of normal because of competition from other countries with low wage production costs, such as Hong Kong.

The loss of our exports can be expected and understood by our rubber workers, but it is another matter when the low wage cost producers are allowed to ship unlimited quantities into Canada at prices which are a fraction of the Canadian cost. In 1954 these low cost imports supplied 35 per cent of the Canadian requirements in rubber canvas footwear. The records show a steady increase of imports which closely follows the corresponding figures of decline in Canadian production.

The imports from Hong Kong are the most serious, amounting to 717,202 pairs in 1954. We are informed by the assistant Canadian trade commissioner at Hong Kong that rubber footwear factories in that district pay wages ranging from 45 to 75 cents per day, according to the 1952 report, while our Canadian rubber workers received $1.40 per hour. The duty of 27½ per cent charged on such low cost products is of very little assistance, and I am not suggesting any increase in tariff. A pair of rubber canvas shoes made in Canada have a manufacturing cost of from $2 to $2.50, while Hong Kong shoes are being laid down in Canada at 65 cents per pair plus duty of 27½ per cent and 10 per cent sales tax. With a total imported price of 89·4 cents per pair they are being sold in Canada by leading retailers at $1.95 per pair. Defenders of the importation of these

low standard of living goods are inclined to quote costs in Hong Kong dollars, and do not mention the fact that a Hong Kong dollar is worth 17 Canadian cents.

Our Canadian workmen are willing to meet any fair competition, but this is not competition; it is sabotage. We can easily imagine the standard of living available to a worker on 45 to 75 cents per day, and we ask you to compare this with $1.40 per hour and the Canadian standard of living of which we are all so proud. Until recently we have heard the argument that these low cost shoes were of poor quality, but I assure you that the samples I have seen appear to be of quite good quality and are plainly marked "Made in Hong Kong".

The loss of employment to the rubber workers is only a part of the loss to Canadian workingmen, as we also lose the production of the canvas fabric, the steel eyelets, chemicals, reclaimed rubber, laces and shoe findings as well as packaging materials. While this alarming invasion of over 700,000 pairs of canvas rubber shoes in one year has already thrown hundreds of Canadians out of work—a loss of half a million hours of work—this probably is only the beginning. Canvas rubber shoes are a sideline in Canadian factories, and are produced in slack periods between the seasonal demands for waterproof footwear such as boots, rubbers, and galoshes. These waterproof lines now enter Canada free of duty under the British preferential tariff, and British footwear is making some headway in our domestic market because of wages much lower than ours. The alarming angle to the Hong Kong problem is the steady growth of their sales in Canada, and the fact that there is nothing to prevent them entering the waterproof lines and eliminating our entire rubber footwear industry.

The other problem of my people is the slow but sure elimination of the button manufacturing industry in Canada. For 85 years the largest of my three factories has served Canada, and at one time had a substantial export business. The export business has been lost to low cost competition. This factory is one of the last to be manufacturing in Canada. Competition from other countries has been serious in our remaining domestic business, but the unkindest cut of all comes in the recent invasion of so-called United States buttons which we find are shipped from New York, but are actually manufactured in Puerto Rico. The wage in this industry in Puerto Rico, I am advised, is 30 cents per hour. There is nothing fair about such competition and the Canadian buyer naturally assumes that the buttons are made by workmen in the United States where wages are higher than ours.

This industry has served Canada well, but the staff in this surviving factory has been reduced to one-third of its former strength. If this cut-rate invasion by Puerto Rico buttons continues the skill and experience of many years will be lost to Canada. If the time should come again when we are forced to depend on our own resources, we will surely be buttonless. We have been told that the Canadian manufacturer should pull up his socks, but if we find ourselves without buttons we may have difficulty keeping our trousers up. Of course there is always the safety pin and the shingle nail.

These two problems do not call for tariff revisions for protection, nor have I ever asked for higher duty on any foreign competition on the domestic market. These two items call for a realistic consideration of standards of living. This is unfair competition between two ways of life. Are we to assume that the importers, the defenders of this unfair competition, favour the Hong Kong way of life with a bowl of rice a day and a bamboo shack, with wages of 45 to 75 cents per day, as compared to Canadian wages of $1.40 per hour? Or do they favour the Puerto Rican 30 cents per hour against the Canadian $1.20 per hour?

I am very proud to quote in this parliament advice which was given by my father, the hard-working founder of our business. He said the one sure thing in this life was change, and the difficulty was to meet these changes and adjust our lives to them. Canada is rapidly changing from a full agricultural economy to an industrial economy. This is the machine age. Are we to become a self-contained country like the United States, which has become the wealthiest country in the world, and so independent that she buys from us only when it suits her?

Anyone finding fault with our system should also find a solution, and I would suggest that we exercise the escape clauses in our GATT agreements, just as the United States and other countries do when serious injury is caused to home industry. We could place quotas on imports which threaten the existence of our producers.

I realize that trade is a two-way street, and that we must export our wheat, paper, minerals and many other products of our vast natural resources. But we must also remember that it would be unpopular to take our thousands of unplaced job applicants and put them to work growing more wheat, making more paper, digging more gold and producing more surpluses. These industrial

workers cannot remain unemployed much longer, and on their behalf I appeal for a realistic consideration of this unfair invasion of our domestic markets.

Mr. James A. McBain (Elgin): Mr. Speaker, in speaking in this debate I feel there is one phase of industry that seems to have been forgotten. I am referring to the tobacco industry. This industry had an all-time high production in 1954 of 167 million pounds. This production was made possible by the fact that the growers were permitted to grow their full base acreage for the first time in several seasons. Also the yield of 1,400 pounds per acre was the second highest on record, and resulted in some marketing difficulties.

The sharp increase in domestic consumption of cigarettes in 1952-53, due to the reduction in federal excise tax, was not maintained in 1954. In February of this year the taxation committee of the flue-cured tobacco marketing association of Ontario waited upon the Minister of Finance and I understand, after that meeting, were very hopeful that good results would be obtained.

In reviewing the budget of the Minister of Finance I fail to see any mention of a reduction in the tax on tobacco and cigarettes. A tax cut of 3 cents per package of 20 cigarettes was asked at that time by the growers. Cigarettes are the highest taxed commodities in Canada today, the present government taking in taxes 17·7 cents per pack of 20 or 54 per cent of the normal retail price. A tax cut would have meant only a small, temporary drop in revenue, and the government would be getting more than the present tax in three years or less. Figures have been shown which proved that during the years 1952 and 1953, after the tax on tobacco was reduced, the revenue increased.

One of the main reasons put forward by the growers in their presentation to the Minister of Finance asking for a 1955 tax cut was that the consumers would benefit specifically next year by paying out some $32 million less for their cigarettes than these would cost at the current tax rates. Other benefits would be an increase of $44·8 million in the next four years in the gross income of the industry's producers and sellers, and some $58·5 million added to consumers' disposable income in the same period.

The effect on the revenues of the government during that same period would be significantly small. Temporary losses in direct and indirect revenues would be no more than $12·3 million, $6 million and $2 million in the next three fiscal years. It has been stated that this would be recovered by the treasury by 1960 or 1961, and possibly earlier.

Last year this total of 167 million pounds was produced from 117,000 acres. Tobacco producers this year find that it is necessary to make a 30 per cent reduction in their base acreage, which means that in this coming season they will only be permitted to use 70 per cent of the acreage they used last year. In contrast with a year ago when they rated full base acreage, the buying companies strongly advocated sharp decreases because domestic stocks had been replenished from last year's record-breaking production.

The fact that 14 million pounds of the 1954 crop remained unsold at the turn of the year and have moved to market very slowly was the argument used in favour of lower production this year. This 30 per cent reduction is a hard blow for the growers. They had just got back to growing their base acreage which was largely due, as I said before, to the tax cuts of 1952-53. Now once more they are forced to curtail acreage. This industry just cannot continue to carry on under the huge burden of federal taxes.

In a recent report by the R.C.M.P. relating to the smuggling of cigarettes from the United States, it is stated that there has been a decided decline, and this can be credited to the tax cut which was made several years ago, making it less profitable and less attractive to the large-scale smuggler. It has been estimated that current smuggling causes losses ranging from $3½ to $7 million to the growers, $7½ to $15 million to the industry, and $12½ to $25 million to the federal treasury. While a 3-cent tax cut, as requested, would not wipe out smuggling, I know the growers feel that it would cut the actual smuggling operation by an estimated 30 per cent.

During the past months we have read and heard a lot about lung cancer being caused by smoking. Apparently the people in Britain do not take this seriously, for in 1954 the British people smoked more than in any year in history. In this regard, women played their part in increasing this consumption. The consumption of tobacco in Great Britain accounted for by women rose from 17 per cent in 1948 to 22 per cent in 1954. Men also played their part in putting up smoking figures, but to a slightly smaller degree. Cigarette smokers made up 65 per cent of the total male adult population in 1954 as against 64 per cent in 1953.

Possibly the increase in smoking in Great Britain is owing to the fact that, as we all know, the former prime minister who has just retired as leader of the Conservative

party in Great Britain is a habitual smoker. Few pictures were ever released in which we did not see Sir Winston with his favourite stogie either in the corner of his mouth or in his hand.

Sir Winston did not smoke steadily until after the death of his father, Lord Randolph Churchill, who died on January 24, 1895 . . . One day his father had said to him, through a haze of cigarette smoke, "Why begin to smoke? If you wish to have an eye that is true and a hand that does not quiver, if you wish never to ask yourself a question as you ride for a fence, don't smoke." Sir Winston adored his father, at a distance, and followed his advice for the time being. Happily he did not continue to do so; if he had, he would never have had a 41st birthday or been prime minister. When he was serving in France with the Scots Greys in 1915 he forgot his matches one day at the front and went back to his dugout for them. A German shell fell where he would have been if he had been a non-smoker.

Exports of tobacco in 1954 to the United Kingdom amounted to 25,184,852 pounds; exports to other countries amounted to 6,585,394 pounds, or total exports of 31,770,246 pounds. If the 3-cent reduction requested had been granted, the growers would have been in a more favourable position to export greater quantities of tobacco.

The production of flue-cured tobacco and its processing into a consumer product is an industry by which a great part of the people in the tobacco-growing districts live. It is also the main support of numerous local industries and services which manufacture, sell or service materials and machines for the tobacco industry. Merchants, garages, service stations, banks, legal firms, insurance, real estate and other businesses have gained much from the tobacco industry. It is also the largest customer of the companion branches of agriculture in these same districts. The tobacco industry may also be found to be the largest single source of tax revenue, if not in the country at least in many municipalities. Tobacco is the hub of a great wheel of local industry may also be found to be the largest sure of dependency, their fortunes rising and falling according to the state of the tobacco industry.

It is, therefore, most necessary that we should direct our thoughts and actions toward maintaining the tobacco industry in as healthy a condition as possible. Therefore I suggest to the Minister of Finance that he has failed to give adequate consideration to the 3-cent reduction on a pack of 20 cigarettes which had been asked by the flue-cured tobacco association of Ontario for the last two or three years.

Mr. H. P. Mang (Qu'Appelle): Mr. Speaker, I do not wish to detain the house for any great length of time on this occasion, but recent events which have taken place in Saskatchewan and in my constituency of Qu'Appelle make me feel that I would be remiss in my duty if at this time I did not give some picture, so far as I am able to do so, of the latest disaster to hit us. It seems that Canada, in the last few years, has been subject to severe punishment from the weather. In 1948 we had the Fraser river flood which affected so many farmers in British Columbia, as well as towns and villages. Then we had "Hurricane Hazel" and "Hurricane Edna". We have had violent storms in Newfoundland. We in Saskatchewan now are suffering our second severe blow in succession dealt us by the weather.

Mr. Castleden: In some parts four.

Mr. Mang: In some places four and five. It is not my purpose to review the vagaries of the weather but rather to point out that, in this gloomy picture that Saskatchewan has been presenting to the rest of Canada, the constituency of Qu'Appelle has been quite as severely dealt with as have other areas in Saskatchewan. Indeed, on the speech from the throne, when I had occasion to make a few remarks, I pointed out that the eastern third of the area has been suffering now for three years—in some spots for four years—owing to excessive moisture.

As many hon. members here realize, our topography, the lay of the land, is level. When you read about floods in rivers of Saskatchewan, that does not tell the whole story. The greatest disasters are not on the river banks. The disaster extends over the farm lands. The difficulty we have in that level country is that you will find dry spots where seeding could be done, but you simply cannot get on to those dry spots in order to seed them. Some two years ago, southwest of Regina, in those plains east of Wilcox and Tyvan in the southern part of the constituency, when the heavy rains came which flooded a great part of that country, many farmers actually went out, got caught in the rain and hurried home with the tractor, and the seed drill was still in the field in the middle of the summer. The havoc that such storms can cause on the level plains is hardly believable.

In the eastern third of Qu'Appelle constituency—and this applies to the constituencies north and south—we have been suffering for three years. We have made some effort—the provincial department of agriculture has done so as well, and the municipalities have struggled with the problem—to drain that water away. What is happening there is not the immediate result of saturating the ground with water now. What is happening in that part of the area is the deterioration of the topsoil owing to the fact that the water which

soaks down into the ground, when evaporation takes place, begins to come up through the land. As that process goes on it is souring the top six to ten inches of soil, bringing up the alkali and other salts. Unless definite moves are made to drain that area properly the productive value of that soil is going to be destroyed, and it will take years to retrieve.

We live in a pioneer area where some of our grandfathers are still living. They took that land over when it was raw prairie, and they built a productive empire out of it. They are still imbued with the pioneering spirit, and they do the best they can as individuals and as municipalities, but the situation has gone beyond that stage. As I said before, I do not want to go into details at this time but merely desire to present a general picture. Actually the full impact of the heavy rains and snows on this saturated soil has not been felt as yet by the people in general. While it is true that you can seed wheat up to the 24th of May and even later, nevertheless with the ground saturated as it is now a mere quarter inch of rain, for example, will stop you from going back on the land for a week or so.

I just want to emphasize this situation, not from the point of view of being an alarmist or adopting a panicky attitude, because we have gone through periods of adversity before. As I say, our pioneers were used to having nothing 60 years ago, and they have built up the economy to the point where it is today. They have a great deal of patience, and they are great gamblers as well. They are willing to make the best of it, but the situation is such that there will have to be some positive and quick action with respect to draining these areas.

I should like to read excerpts from three letters. I am not going to read the entire letters. They are from councillors and reeves in our area. I shall quote one paragraph in this letter from Mr. James G. Duthie of Wolseley, to indicate the general situation. The pictures you saw in the newspapers the other day were of the town of Wolseley. This has to do with the farm land there. He said:

> I will state briefly that there is a great deal of damage by floods within this municipality to roads, bridges and highways. Quite a lot of the farm lands in the municipality will be unfit for cultivation for years or until some drainage scheme is put into action.

There is another letter from a place farther east, and again I am going to quote briefly:

> I can see no hope in trying to make a living here and pay expenses if some of this water is not drained away. There are several hundred acres covered with water. In most cases the prairie that is left isn't sufficient to feed the stock. I have been speaking to several farmers around and unless something can be done to get rid of this surplus water, we will have to dispose of our stock and move out.

Further down he says:

> We have had this area surveyed by the department of agriculture—

That is of Saskatchewan, with the assistance of P.F.R.A., I understand.

> —and they were through surveying before Christmas. They were supposed to give us some decision on the 15th of February, but we had nothing. On the 15th of March they promised and now it is the 26th of April and we had nothing yet. They tell us now that our maps are on print, and that is as far as we know yet.

In this connection I would suggest that here is an area that has already been surveyed for drainage. All that is needed is to move in and get immediate action to drain the land. This letter was from Mr. Oscar Carlson of Beynes, Saskatchewan. He is a councillor in that area.

I am just going to quote one short paragraph from another letter from Clarence B. Hill, reeve of the Martin municipality No. 122, near Moosomin. This area is suffering now for the third year in a row. He suggests something which could be done, and the suggestion could tie in with the letter I have just read from Mr. Carlson. The letter reads:

> I would suggest the dominion government set up units of draining machinery consisting of a dragline, cat and dozer and a cat and scraper, say one unit to each two or three municipalities to be used only for draining work. This would reinstate soured land, bring it back into production and taxes, and help considerable towards building roads, once the sloughs and potholes are drained.

That is a concrete suggestion by Clarence Hill. I quote these letters because they come right from this area and emphasize the seriousness of the position. In addition they offer some concrete suggestions which could be applied immediately. Here is an area south of Moosomin which has been surveyed and is ready to go. All that is needed is to follow the suggestion made by Mr. Hill and get this machinery moved out there to work on drainage ditches.

Again I want to emphasize that we are not alarmists; we are not panicky. If I were able to quote these letters in their entirety you would see the pioneering spirit that these people have. They have been out there with their own tractors constructing drainage facilities. The roads are gone, their municipal funds are exhausted, and this spring people have actually been out there with shovels trying to open up drains because all the work they did last year with their own tractors fell in as a result of these heavy rains. They are trying to save the efforts of a lifetime. I would strongly urge

that whatever can be done should be done, as I know it will be, by both the provincial and federal governments.

I want to thank the Prime Minister for the assurance he gave that when all the information is in concerning the situation, an assessment will be made and whatever help it is possible to give will be given. Finally, may I say that I feel rather sorry for the Minister of Finance. He mentioned in that budget that the western wheat crop was one source of revenue, and this condition may interfere with his sincere efforts to balance our economy. I am sure the government will give every sympathetic consideration to the situation I have tried to present.

Mr. A. M. Nicholson (Mackenzie): I have already participated in this budget debate, Mr. Speaker, but I cannot miss this opportunity of endorsing what has been said by the hon. member who has just taken his seat, by my colleagues in this party and by the hon. member for Prince Albert (Mr. Diefenbaker), who have all expressed the view that the crisis which faces Saskatchewan is certainly the most serious we have had during the lifetime of any of us in this parliament.

The Minister of Finance, bringing down his budget for next year, indicated that he expected we would have a good crop on the prairies. Had that crop materialized it would have made a great difference in our economy. I think the Minister of Trade and Commerce is incorrect in his conclusion that you cannot forecast a crop failure in May. When I was home at Easter the outlook was promising. They had had a very good stretch of weather and, had it continued, the land could have been seeded in that area. But as a result of the excessive moisture over a four-year period, the very heavy rainfall last year and the four inches of rain which descended in the last month, it now becomes impossible to seed a large percentage of the land in Mackenzie.

Hon. members have not appreciated the magnitude of this problem. Figures showing farm net income of 1954, which reached us a few days ago, reveal a very sharp drop in net income across Canada, from $2,154 million in 1951 to $1,923 million in 1952, then down to $1,699 million in 1953 and $1,125 million in 1954. This represents a drop of over a billion dollars since 1951. In other words farm net income is cut almost in half.

The hon. member for Elgin (Mr. McBain), who spoke a few moments ago, had something to say about the position of the tobacco farmers. I would point out, however, that no farmers have been hit as hard as the wheat farmers. Farm income is down in all provinces, but in Saskatchewan our income has dropped from $565·5 million in 1952 to $126·5 million in 1954.

It is not easy for us to think in terms of millions, but if one could picture oneself having an income of $565—and that, by the way, is the income some Canadian families have—what would be his position if that income were reduced in three years to $126? Or, to multiply those figures by twenty, to give an income somewhat in line with what a member of parliament considers he should have, it would represent a drop from $11,310 to $2,530. If one has not had some practical experience in reduced incomes over a short period of time, then he has missed something. Our people in Saskatchewan during the years of depression, and again during the last years, have seen prices collapse, and bad weather conditions. Coupled with the excessive rainfall last year we had heavy rust damage, which normally would not have developed had we not had so much wet weather, or had more sunshine.

Those on farms, whose incomes have been reduced from $11,310 to $2,530, are in a position where they cannot pay their store bills, their taxes, or their commitments to the implement dealers. Payments to doctors fall in arrears. We have had a combination of these factors. I find that municipalities in my constituency, which had a very good record during the thirties and where we have always had some crop, reported tax arrears of $853,000 at the end of 1953. By the end of 1954 those arrears had reached $1,362,000.

People in Saskatchewan, as in other provinces, realize that if taxes get out of control they are in danger of losing their equity in their holdings, and no one accepts that position cheerfully. As a result of the fall in farm income, tax arrears have piled up. In addition to the tax arrears of the municipalities, the school districts find the municipalities owe them $1,170,000. The banks have been good enough to give the school units credit. Those school units in my district owed the banks over $844,000. Fortunately the banks have confidence in the province. However, this represents a tremendous waste, which is accepted unwillingly by the taxpayers, when such large amounts are paid out in interest. If they had had their fair share of the national income their taxes would have been paid and the school districts would have received their fair share of moneys.

I realize some hon. members from other parts of Canada are under the impression that those of us who come from the prairies do a good deal of complaining, and that at times we make unreasonable demands on the

taxpayers in other parts of Canada. I would remind the house, however, that in years of prosperity we in Saskatchewan are very glad to pay to the Minister of National Revenue a very generous share of our total income, through the income tax. I find that in the last publication of taxation statistics for 1954 a review is made of the year 1952. I was informed by the income tax branch this morning that they will not have information concerning the 1953 position until late in July, although they are speeding up the reporting of those amounts.

However, if one takes the total paid in income tax by the farmers of Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba and Alberta and adds them together, he gets less than the amount paid by Saskatchewan farmers in 1952. Farmers in all provinces of Canada, with the exception of British Columbia and Saskatchewan, paid $13,106,000 in 1952, whereas the farmers of Saskatchewan paid $13,268,000.

As I have said, the Saskatchewan farmers made no complaint about paying over $13 million into the treasury in 1952. Oh, some of them felt that it was hard to justify the fact that the farmers of the rich provinces of Ontario and Quebec paid less than $3 million when more than $13 million had been paid by farmers in Saskatchewan who, unfortunately, had not been able to build up a reserve for an emergency. I submit, therefore, that as a result of the net farm income of Saskatchewan dropping from $566 million in 1952 to $126 million in 1954 we have a matter of national concern, apart altogether from the disastrous weather we have experienced in the last month. When Professor Harrington estimates that this unusual weather will result in a reduction in income of over $50 million I am convinced that he is estimating on the conservative side.

By the end of this year the Minister of Finance will realize that the figures he had before him when he prepared his budget for this year did not take into account the fact that at the present time there is still some 1953 grain in the granaries of Saskatchewan. The minister is not really in a position to know the serious impact on our Canadian economy that last year's crop imposed. Many regions in Saskatchewan are in the position that now, on the 11th day of May, the water level is so high there is not a chance in the world of getting on the land to seed oats, barley, wheat or any of the cereals that have been grown in the prairie provinces.

This crisis is going to affect eastern Canada also. On our farm we spent a considerable sum of money last winter to buy fertilizer. We expected that there would be a short growing season this year on account of the excessive moisture, and that if we were to have any crop we should use fertilizer to make the best use of the growing season. It is extremely doubtful whether we shall decide to lose the money that we have now invested in fertilizer, or hold it over for another year. Certainly it is going to have a very direct effect on the fertilizer industry in British Columbia and on the railway companies that transport fertilizer and other products from the west and the east to the prairie provinces.

The hon. member for Humboldt-Melfort (Mr. Bryson) suggested that in addition to helping to meet the capital costs of the recent flooding, the federal government should somehow or other get into the pockets of the farmers whose fields will not be seeded at least $10 for every such acre. It is estimated that this year we shall have at least 2 million acres unseeded. The sum of $20 million may appear to be a large amount; but on the other hand, when one considers the importance of the wheat economy to the whole of Canada it is pretty obvious that sooner or later we shall have to face some of these problems and view them from the national point of view.

I should like to remind the house that late in the last century and in the beginning of this century, the prairie lands of Manitoba, Saskatchewan and Alberta were opened up for settlement on the theory that there would be a market for foodstuffs grown in the prairie provinces and shipped abroad. During my lifetime we have brought increased acreage into cultivation; we have improved our techniques of cultivation; we have brought down our costs of operation so that we are now in a position to produce great quantities of a very desirable commodity. We are compelled to sell in world markets in competition with other countries which, for a variety of reasons, are making it very difficult for Canadian grain to be sold.

Hon. members will perhaps have noted in this morning's *Gazette* that the United States now buys its own exports. That is to be found on the editorial page. It mentions that on May 2 the export-import bank in the United States made funds available to six manufacturing companies to help them export their products. This makes a total of 66 manufacturing firms which are being assisted by all of the manufacturers in the United States.

The hon. member for Waterloo North (Mr. Schneider) pointed out the very real problem that exists in his area where running shoes that were manufactured to the extent

of 6 million in 1947 were manufactured to the extent of 2 million in 1954. That poses a problem not only for the hon. member for Waterloo North but for Canada. If our products have to compete in world markets with such products from other countries; if the Americans are going to use public funds to enable their manufacturers to sell their goods in world markets, it poses a real problem for us.

The editorial also mentions that last month the United States government offered Denmark $7·7 million worth of supplies, provided that Denmark would send industrial products to underdeveloped countries. Apparently Denmark objected to a clause which required the grain to be moved in United States vessels. But the shipment of $7·7 million worth of grain from the United States to Denmark will certainly affect the market in Denmark, and will eventually affect markets which we have had abroad.

I come back to our theories, which I think are fundamental. The 15 million people in Canada should be able somehow or other to organize our economy so we can produce all the food we can use—and we should produce all that we can—but we should be willing to exchange our foodstuffs in the markets of the world for commodities which other people have and which they would prefer to exchange for our foodstuffs. We should also make available, from our surplus supplies, foodstuffs for the two-thirds of the people in the world who never get enough to eat.

Therefore I suggest that the Minister of Finance, along with his colleagues, must give consideration to the request which has come from Saskatchewan that the emergency which has been created by the flooding be regarded as a national emergency, and that sufficient public funds be made available to help repair the property damage. Those who have invested their lives in Saskatchewan to produce food for ourselves and for our overseas markets should be given the assistance necessary over a series of years such as those we have experienced.

During the drought years federal and provincial governments joined with the municipalities in facing that problem. Last fall I met a number of my constituents who went north during the drought years, and they said they never expected to live long enough to be terrified when it started to rain. They had thought if they could only get to a country where they would have rain their troubles would be over; but after the experience they had last year they have come to the conclusion that the hardships involved in connection with a series of flooding are even more difficult than the calamity which befell them during the 1930's, when it failed to rain and they were unable to grow a crop.

There is probably very little difference between a succession of crop failures as a result of drought and a series of crop failures as a result of flooding. However, there is this difference. In the years when you have flooding you have additional expenses that cannot be avoided very well. Last year a great many farmers spent more than the worth of their crop in trying to get on the fields with a combine towed by a caterpillar tractor. Sometimes it was a combine mounted on a stone boat, with a small engine to operate the combine, while the whole equipment was hauled around by a caterpillar tractor. The cost involved exceeded the revenue from the crop. So it makes very little difference whether a serious crop failure results from flooding or from drought.

I think it is obvious that the people of Canada as a whole must be prepared to stand behind the people of Winnipeg, of the Fraser valley, of the Annapolis valley, of Rimouski when disaster hits those areas, and likewise this year behind the people of the prairie provinces who are faced with disastrous floods. I am sure the government will only be fulfilling its duties to Canada in doing everything that is reasonably possible.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I wish at this time to bring to the attention of the government and the house a particular problem with which we are confronted in the Fraser valley. Some repetition may be necessary, but I shall try to present the matter as briefly and as quickly as possible. When participating in the throne speech debate I paid some attention to various fisheries problems, and endeavoured to place on the record not just my own views with respect to these matters but more especially the views of many of those engaged in the industry who are adversely affected by the imposition of certain measures which, these fishermen claim, are ineffective.

No doubt the Minister of Fisheries (Mr. Sinclair) works under a long range policy, and rather than just leaving this matter I thought if it were brought to his attention he might somehow or other work it into that long range policy and bring certain benefits to the fishermen in my area.

The annual list of proposals for changes in British Columbia fisheries regulations sent out from the office of Mr. A. J. Whitmore, chief supervisor of fisheries, under date of December 3, 1953, contained a clause having

to do with fishing above the New Westminster bridge. This clause No. 5 reads:

To prohibit commercial fishing above New Westminster bridge on and after September 16 each season.

Immediately after that was circulated various fishermen's groups took exception to it and lodged their protests against including this in the list of proposed changes in the fisheries regulations. The united fishermen and allied workers' union lodged a protest, as did the Pacific fishermen and allied trades union, gill net section. Just about that time, on March 16, 1954, I directed a question on the orders of the day to the Minister of Fisheries. The question, reported on page 3029 of *Hansard,* was as follows:

Will the minister state whether or not a decision has been reached with respect to the closure of the Fraser river above the New Westminster bridge to commercial fishing?

The answer I received from the minister on that occasion was as follows:

The answer to his question is no. I hope to be able to announce a decision before I meet the fishermen's union in convention next week in Vancouver.

Upon his return from Vancouver the minister made a statement with respect to this matter, to be found on page 4510 of *Hansard* of May 7, 1954, as follows:

I announced to the fishermen at the union meeting in Vancouver that we would stop that fishery on September 16.

And a little further on:

I met the union, I met the gill netters, I met the local mayors and reeves and pointed out that we were interested in quality and conservation.

And again:

Since I came back to Ottawa we have discussed the matter again with our research people and our officers, and it is probably right that we are doing it in a little too big a sweep. Therefore we have changed the closing date this year from September 16 to three weeks later, October 8. They will have the tail end of the sockeye and the first of the pinks and the chums. The hon. member for New Westminster applauds. I want to tell the committee that next year it will be September 30 and the year after it will be September 15 because it is felt that in the interests of quality and conservation we must close this fishery. But because of the reasons put forward by these people for a little more gradual closing off, we have agreed to make that change.

Perhaps with some optimism, but prompted by the minister's co-operative attitude and his encouraging announcement, I ventured to express the hope that progressively earlier closures as threatened would be found unnecessary. However, that has not worked out and we find that the department are intent on continuing with their announced policy.

Further protests have been registered in this connection. I received one dated May 27, 1954, from the united fishermen and allied workers' union, the first part of which reads:

Dear Sir,

We are enclosing with this letter copy of a letter just recently sent to the Hon. James Sinclair, Minister of Fisheries. You will note that we take quite sharp objection to a number of statements which he made in the House of Commons on May 7.

The most immediate issue is that of the closure of the area between Pattullo bridge and Mission bridge on the Fraser river. You will recall that on previous occasions we have written you at some length in respect to this proposed closure. Our members are not at all satisfied with the new revised decision which was announced by the minister. We urge you, as a member representing British Columbia, to do everything in your power to have the entire order rescinded.

That is just the first part of the letter which is signed by Homer Stevens, secretary treasurer of the union. Another communication which I received is in the form of a resolution dealing with fishing in the upper Fraser, adopted at a mass meeting in Fort Langley on Friday, October 8, 1954. It reads:

Whereas the 1954 salmon season is not a pink year as far as the Fraser river is concerned and

Whereas there is no dispute in quality of salmon in the Fraser river for the balance of the 1954 season and

Whereas we are fully aware of the fact that there is too much fishing gear in the water and therefore drastic conservation measures are necessary

Therefore be it resolved that we petition the Minister of Fisheries, Mr. Sinclair, to open the Fraser river again from the Pattullo bridge to Mission bridge as in past and that for the balance of the 1954 salmon season the minister is assured that we are escaping any conservation measures that may be necessary other than a complete closure; and

Be it further resolved that as far as the 1955 fishing season is concerned, further meeting be held with the minister in order that we may arrive at an equitable solution to this pertinent problem for the future.

Resolution carried unanimously.

Pete Jenewein acting as secretary.

Those are only two communications in this connection. The Pacific fishermen and allied trades union's brief of December 1 of last year raised a similar protest. A letter dated February 14, from the native sons of British Columbia, post No. 2, submitted a resolution in protest against this measure. I also have another communication from prevost post No. 10 of the native sons of British Columbia, dated January 4, 1955, which deals with the matter very fully and not only protests against the action that has been taken but asks that it be rescinded and proposes some other measures in its place.

Just prior to coming to this session of parliament, Mr. Speaker, we had the opportunity of meeting two delegations of fishermen, and they also registered their protest

over the measures proposed by the Minister of Fisheries. They presented statements showing that, as far as the purposes of these proposed measures were concerned, they were not being realized and they therefore felt that in all fairness the minister should rescind his proposed measure and take some more appropriate action in regard to conservation and so on.

There were two main reasons for the introduction of these measures. We find outlined in the British Columbia fishery regulations the suggested regulatory and administrative changes. We find these two are outlined very clearly, but I may say that the fishermen's unions take exception to both counts. In regard to conservation, I should like to read from article No. 5 of the suggested amendments to the British Columbia fishery regulations:

(b) the inability of the slow moving later classes of salmon, principally pinks and chums, to clear through the 50 mile stretch of the Fraser from its mouth to Mission during the protection period provided by the weekly closed times.

In this connection the brief has this to say:

It is represented the proposal would assist in meeting the difficulty and in addition would serve to give badly needed protection to spawning stocks of pinks and chums destined for important streams flowing into the Fraser between New Westminster and Mission, i.e., Coquitlam, Alouette, Whonock, Stave and Silverdale streams on the north side, and Salmon, Beaver, West, and other smaller creeks on the south side.

This was the position set out in this brief. The union's view in this connection is that the closure measures have not resulted in the desired and anticipated results. The brief has this to say:

We note that it is suggested that the closure of this area would help to rehabilitate several streams on the north and south sides of the Fraser river. Several points are not taken into consideration with regard to these streams.

After listing changed conditions on some of these tributaries, the brief goes on to state:

The fact of the matter is that as far as the local streams mentioned are concerned, the salmon have a better opportunity of entering these streams today than they had years ago when there were considerably less restrictions on fishing and it should be quite clear to everyone that the fine escapement of pinks to the upper Fraser river in 1953 passed the mouths of these streams en route.

With regard to the inability of the spawning fish to reach the headwaters of the main stem of the Fraser river, this particular brief contends that the escapement of the Fraser river pink salmon to the spawning ground in the last year was exceptionally good, and at least equal to any pink run in the last 40 years. It goes on to quote from the Department of Fisheries 1953 spawning report dealing with the pinks in the Fraser river area. I should like to give this quotation from the same brief:

In 1951 we had no special closures on pink salmon fishing and the Department of Fisheries spawning report (1953) from which we quote does not bear out the contention that the closing of the fishing area above New Westminster bridge is necessary from a standpoint of conservation.

One of the other reasons given for the application of these earlier closures was the increasing efficiency of gill net operations through the use of nylon gear, etc. But the fishermen in this area maintain that the nylon nets have not proven as effective in this area in question as they have in other areas. They say it is due to the discolouration of the water in the Fraser river.

We also notice that in the minister's statement from which I have read there is reference to the necessity for these closures because of the quality of the fish. Some time ago I placed on record two letters, and I should like to refer to them again today. These letters have to do with the question of the quality of the fish taken in this area. The first one is to the Johnston Fishing and Packing Company, R.R.1, New Westminster, British Columbia. It is signed by Mr. Rolley. It reads as follows:

Gentlemen:

The directors of the gill net section of our union are desirous of obtaining information as to the procedure used in handling salmon caught above New Westminster bridge. As you probably know, there have been a lot of loose statements as to the quality of salmon caught in this area and in order to arrive at the facts of the case we would be very much obliged if your company could answer the questions listed below.

1. In deliveries of salmon from your collectors to your plant are the salmon caught and collected above New Westminster bridge kept entirely separate at all times from salmon caught and collected in other parts of district No. 1.

2. In the process of canning salmon at your plant is a separate code mark used to differentiate between salmon caught above New Westminster bridge and salmon caught in other parts of district No. 1?

3. Does the government laboratory require certification from your company as to the place of origin of any parcel of canned salmon submitted by your company for inspection?

I should like to quote from the answer, or the letter Mr. Rolley received in reply. The letter reads as follows:

Dear Sir:

Replying to yours of the 4th instant in which you ask four questions dealing with the Fraser river fishing operations, our answer to the first three is "no".

The fourth question was:

4. What percentage of this year's total pack was of grade B quality which was canned at your plant?

The reply to that fourth question was "none". I just place that information on the

record once again, Mr. Speaker, in order to show that the argument that has been used with respect to the quality of the salmon is not very conclusive.

I should like to refer just briefly to the economic effects of this broad measure. We find that the number of fishermen in this area taking out licences in 1953 stood at 639. I should like to emphasize the fact that these are gill net fishing licences. We further note that, in order to secure such a licence, the applicant must be a resident of that area. We therefore see that this is a considerable number who are affected at the present time and who will be affected by the earlier closures on the Fraser river.

As to the estimated loss, it is difficult, of course, to estimate that. We find that these fishermen through the years have adapted their boats and their fishing gear to local conditions. It would, of course, entail a heavy expenditure, estimated from $2,000 to $7,000 per boat, to convert their equipment for operation in other fishing areas. Of course that would be almost impossible for a great number of these fishermen. Then we also realize that if 639 fishermen are adversely affected by these closures, certainly the merchants of the area would suffer loss of income resulting from this measure.

I refer not only to these aspects of the problem, but I should like to remind the house that a considerable number of these people are veterans, I understand. I have here in my hand an article from the *Gazette*, Maple Ridge-Pitt Meadows, dated March 10, 1955. The article is headed "Canadian Legion Rap Proposed Closure of Fraser to Fishing. Charge Action is Drastic, Deprives Veterans of Jobs", and reads as follows:

> Following a series of meetings between Canadian Legion officers from Haney, Mission and Agassiz, a resolution will be presented to the members of the organization protesting the closing of the Fraser river to commercial fishermen.
>
> The resolution is expected to be approved by the memberships by a clear majority since it affects an estimated 105 veterans of the last war and first world war, presently engaged in fishing as a livelihood.
>
> "Most of the equipment owned by the fishermen here is inadequate for fishing in the mouth of the Fraser or at sea", stated secretary-manager Roger Ansell of the Haney Legion branch.
>
> Following is the resolution to be presented to the memberships of three valley Legion branches and then forwarded to the federal government, Department of Fisheries.
>
> Whereas the federal Department of Fisheries has decided to close the Fraser river to commercial fishermen on September 16, 1955, from Pattullo bridge, New Westminster to Mission city;
>
> And whereas the Minister of Fisheries has definitely stated this is the first step towards the complete closure of this area to commercial fishing;
>
> And whereas the chief reason given for this drastic action is to maintain and increase the conservation of salmon, a statement strongly disputed by fishermen;
>
> And whereas this drastic and unwarranted action will undoubtedly deprive many veterans of world wars I and II who have a large investment in equipment and through age and disability, though able to fish in home waters cannot stand the rigours of going upcoast in open waters to make their livelihood;
>
> Be it resolved that the B.C. and N.W.S. command of the Canadian Legion register the strongest possible protest directly to the Minister of Fisheries against the closure of the Fraser river to commercial fishing in this area.
>
> In an effort to evaluate the amount of loss that will occur to the fishermen if the river is closed permanently, the legion are presently circulating questionnaires to the fishermen in each area.
>
> The questionnaire contains ten pertinent questions such as age, service record, length of fishing activities, home ownership, veterans allowances for purchase of home or equipment, equipment owned, such as boat gear, float or dockage and net shed, value of these and whether the fisherman is capable of supporting himself outside the industry and his physical capabilities.

Then the article concludes with this paragraph:

> It is expected that a compilation of the information so gathered will be presented with the resolution as a brief.

I give that quotation in order to indicate that, as is brought out in that brief, about 105 veterans of the first and second world wars will be adversely affected.

Some of the suggested alternate proposals that we find in these various briefs are the following. The first is a treaty with the United States covering conservation of pink runs and equal catch division. In this connection, on page 7 of a brief dated February 5, 1954, sent to Mr. A. J. Whitmore, chief supervisor of fisheries, Department of Fisheries, Vancouver, we find this statement:

> Certain things stand out like a sore thumb. The Americans are getting 65 per cent of the Fraser pink catch, the Canadian fleet as a whole is getting about 35 per cent. Out of the total run, the fishermen in area 29D are getting about 1 per cent. Out of the Canadian portion, they are only getting about 3 per cent. Even out of the Fraser river area catch they only took about 12 per cent. Yet it is suggested that closure of this area after September 16th would help solve the difficult problem of pink conservation.

The second suggestion I have gleaned from these briefs is the equalization of the week-end closures between the approaches to the Fraser and the Fraser river, combined with a deliberate program of equalizing catches between Canadian seiners and gill netters; third, the extension of weekly closures if advisable; and fourth, reappraisal of the whole situation with respect to closure measures.

Just to sum up this matter, Mr. Speaker, I have intimated first of all that the fishermen still maintain that the measures that have been put into operation are largely ineffective. Second, the efficiency of the new

gear is overestimated so far as the Fraser river is concerned. Third, the quality argument used by the Minister of Fisheries is not conclusive. Fourth, the displacement of fishermen from this area is too high a price for any slight possible results. Fifth, the financial loss is not justified. Finally, I would say that more effective and less discriminatory measures are possible in the solution of the problem of conservation.

Mr. F. S. Zaplitny (Dauphin): It is not my intention, Mr. Speaker, to delay the house very long, but I do wish to refer briefly to a matter which I believe is of extreme importance. It is important from the point of view of the political conduct of those who are in charge of our affairs, and also from the point of view of administration.

On two occasions during this session I have raised questions in the house in connection with the Department of National Revenue concerning certain tax remissions being made by that department to certain corporations. On the second occasion we were promised an explanation by the minister. May I say incidentally, sir, that I have notified the Minister of National Revenue (Mr. McCann) that I am raising this matter in the house this afternoon. Unfortunately he is not in his seat, but perhaps he will be in later.

While we are still waiting for the answer to that question, another has come up that has to do with the same department. I believe it is time a statement was made in the house to set out all the facts in order that we can be sure the law of the land is being observed. In order to put the background of this question as fairly as possible, I should like to quote part of an editorial which appeared in the Toronto *Star* today. It deals with the question of Mr. Dempsey and the connection his activities have had with the Minister of National Revenue and others. The editorial reads as follows:

> Mr. Dempsey admits that at least $5,000 in 1951 election funds, contributed to him by the late John Drohan, were not reported to the returning officer as required by the Ontario election act. The act provides penalties for failing to make a detailed statement of campaign fund receipts, and for making a false return. In Mr. Dempsey's case, penalties upon conviction might total more than $13,000.

Then the editorial continues with a reference to a statement made by the attorney general of Ontario, which appeared in the same newspaper. The statement was to the effect that no action would be taken, and the editorial continues as follows:

> But Mr. Dana Porter, attorney general in the Frost government, says he has no intention of laying a charge against Mr. Dempsey. Does this mean that Conservative candidates in Ontario can flout the election act with impunity and feel safe from prosecution in the courts as long as their government is in power?
>
> The widow of the late Mr. Drohan says he told her he handed over the money to Mr. Dempsey "for favours he would get from the government". Perhaps the attorney general prefers to have Mr. Dempsey escape all penalty rather than have the facts brought out in court.
>
> It is up to the voters in the June 9 election to judge as to what standard of political morality prevails in Ontario government circles. It is bad enough that highway frauds, irregularities and overpayments totalled many millions in a few years; that thousands of dollars were contributed to a Conservative candidate in advance for concessions expected from the lands and forests department. But it is worse still when the government deliberately does its best to prevent the public getting all the facts.

Up to that point I agree with the Toronto *Star* that it is a matter for the consideration of the Ontario electors whenever they have to cast their ballots. This is the part to which I wish to address myself particularly, because this goes much farther than Ontario. The last part says:

> The Renfrew South election fund scandal came to light only by accident through receipts in the estate of the donor, who died in 1952. The voters have the right to wonder how many other government candidates benefited in similar fashion through large contributions which will never be revealed. Certain it is that the Ontario Conservative party never seems to lack for funds at election time.

May I add to that my opinion that the Liberal party does not seem to lack for election funds, either in Ontario or elsewhere. The reason this involves the House of Commons is that we are all trustees of the public treasury. It is true that for the time being the Minister of National Revenue is in charge of and responsible for the collection of the taxes imposed by this parliament. Since we are the public representatives it is we, in the last analysis, who are the final trustees of the public purse. Any time there appears to be any irregularity affecting moneys which are the property of the people of Canada, then the representatives of the people have a right to know the full facts and have a full explanation laid before them in order that they may be able to explain to their electors just what is happening.

I believe the hon. member for York South (Mr. Noseworthy) performed a public service when on May 9 of this year he asked the following question on the orders of the day, which appears at page 3565 of *Hansard*:

> In view of the speculation raised by an editorial in today's *Globe and Mail* regarding the minister's previous knowledge of the Dempsey affair, will the minister clarify the situation by making a statement to the house?

That was a very fair question. I think he gave the minister a wonderful opportunity to lay the facts before the house. What did

we get at that time? The reply was that the minister was prohibited by section 133 of the Income Tax Act and section 55 of the succession duty act—I believe that section number should have been different—from disclosing the information he had. He did admit in his reply, and I quote:

> I admit that I had a conference with Mr. Frost while he was in Ottawa. He had to leave hurriedly, so that the conference was incomplete. I am not in a position to disclose any information that passed between us at that time.

The question was followed up later by the hon. member for Winnipeg North Centre (Mr. Knowles), when he asked if the minister could point out where, in section 133 of the Income Tax Act, the minister found authority under which he could disclose information to Premier Frost which he could not disclose to parliament. The reply given to that was:

> I quoted section 133 with reference to the Income Tax Act and section 54 of the succession duty act, and it was under section 55 of the succession duty act that Premier Frost, as treasurer of Ontario, was entitled to any information we have.

We go to section 55 of the succession duty act, and what do we find? I shall quote the whole section because it is short, at least the first part of the section which has to do with this matter.

> 55. (1) No person employed in the service of Her Majesty shall communicate or allow to be communicated to any person not legally entitled thereto, any information obtained under the provisions of this act, or allow any such person to inspect or have access to any written statement furnished under the provisions of this act.

Quite obviously the minister is attempting to justify the result on the basis of these words, "any person not legally entitled thereto", and perhaps is prepared to argue that in his opinion the premier of Ontario was so entitled. But is it not a strange situation, where one would expect that the persons entitled to that information would be officials of the department—and one would expect that those officials are sworn to secrecy; because if they are not, then this whole section becomes a farce and means nothing—if one person, who is bound by the secrecy of the act, gives information to somebody else who is not so bound? If that is so, then of course the act has no effect.

I would ask the Minister of National Revenue to state in this house whether he considers Premier Frost in the same category as officials of his own department, and whether Premier Frost is sworn to secrecy under the provisions of the Income Tax Act. If that is not the case; if Premier Frost is not in the same category as officials of the Department of National Revenue and the minister himself, then of course he is not subject to the same restrictions. The minister, then, had no business to disclose information to a person who is not bound by the secrecy provision, when he has refused to give the same information, or similar information, in the House of Commons.

What makes the matter still worse is this, that if what I am now going to quote is correct, then of course the whole thing becomes a sort of midsummer night's dream. I quote now from the report of a speech made by the hon. member for Broadview (Mr. Hees), as it is reported in the Ottawa *Citizen* of today:

> Revenue Minister McCann was charged today with playing politics with the Dempsey case and of withholding information from Premier Frost of Ontario until he felt it would be of political advantage to have it known.
>
> George Hees, president of the national Progressive Conservative association and M.P. for Toronto-Broadview told a regional party meeting here the method chosen by Dr. McCann to communicate the information by drawing the premier into a corner at the recent federal-provincial meeting "was just like a Parisian postcard vendor trying to peddle his wares".

Well, I am not going to say that I agree with that description of the way in which this information was given, because I have nothing to base it upon; but certainly it appears as if the Minister of National Revenue were trying to make a sort of cloak and dagger affair out of the whole matter. If the information which came to the notice of the minister as the result of the administration of an estate—and we are given to understand that this happened a few years ago—was in his possession, and if he felt that the law of the land was being broken, or that regulations were not being lived up to, then it was his duty at that time to notify the proper authorities.

If he felt that it was an evasion of the Income Tax Act, and that undisclosed income was involved, then I think it was his duty to lay a proper charge and start action at that time. The fact that he did not do so lends credence to the statement made by the president of the Progressive Conservative association.

The part that really causes me the greatest concern is this. Further on in the same report it is stated that Mr. Dempsey, in speaking to a reporter today, is credited with having said that he had not reported his contribution to the 1951 campaign funds, because—and these are the words in the report—

> —he had received assurances from revenue minister J. J. McCann that income tax authorities would take no action on the matter.

Mr. McCann: Absolutely false.

Mr. Zaplitny: Then there is this further direct quotation:

"Just mind your P's and Q's and the government won't do anything about the contribution," Mr. Dempsey said he was told by Dr. McCann.

I say this, that if those words are correct then the Minister of National Revenue, in fairness to himself and in fairness to this parliament, should forthwith hand in his resignation because any minister—

An hon. Member: No.

Mr. Zaplitny: If the hon. member disagrees he will have an opportunity to say so.

Mr. McCann: I wish at this time to declare positively that the statement you have just quoted is absolutely false in every particular.

Mr. Zaplitny: I take it that the minister refers to the last quotation I put on the record. He did not identify which one. If that is not correct, then of course the minister and Mr. Dempsey can fight that out between themselves. The fact remains that in my opinion there has been a lack of frankness on the part of the minister. If the minister obtained certain information—and we are given to understand that it was as the result of his being a director of a company which had something to do with the administration of an estate—which he felt was evidence of a law being violated, and if he withheld that information from the appropriate sources for two or three years in order to use it for political purposes, that in itself in my opinion would be enough for the minister to be charged with a great misdemeanour.

It is not the prerogative or the right of a minister of the crown to use his position for political purposes, particularly a position such as that held by the Minister of National Revenue, who has access to information so confidential that even when it affects the public interest he will not disclose it to parliament because, he tells us, the secrecy provisions of the act do not permit him to do so. I say that to use that kind of information for political purposes is in my opinion a dereliction of duty and an abuse of public trust. If the minister has used his position, either as director of a company or as Minister of National Revenue, to obtain information and hold it for a strategic time at which he could do political harm to his opponent, then I say he is performing an act for which he should be censured.

I say that very frankly, because I am not at all satisfied that the Minister of National Revenue has given the house any information so far. The questions that have been put to him and the answers we have received have left much to be desired. It is still not clear, certainly not to me, what the minister means when he tells us that under section 55 of the Dominion Succession Duty Act he is permitted to give information to the premier of Ontario. When he says that, then I think the minister should state in this house how he comes to that conclusion.

Mr. McCann: He is treasurer of Ontario.

Mr. Zaplitny: Is the premier of Ontario an official of the minister's department? Is he sworn to secrecy, so far as this act is concerned? That is what I want to know.

Point 2 is this. Did the minister have this information for the last two or three years as a result of the fact that he was director of a company and, if so, why did he not give that information to the proper authorities and see that appropriate action was taken?

While we are on this subject, may I say that a new method seems to be creeping in. There was a time when the Prime Minister of Canada used to insist that ministers of the crown should divest themselves of directorships in companies. Apparently a change has come about, and we now have the new look in government. They can have one foot in the government and one foot in private business and use both sources to advantage, one for the other.

I hope that process has not gone too far, because it makes one wonder to what extent it could be used if ministers of the crown were to find themselves in the position of obtaining confidential information from private industry, on the one hand and, on the other hand, in the position of being able to obtain private and confidential information in a government position. One can easily imagine the terrific abuses that could creep into the administration of the affairs of this country if that were so.

I think it is time the Minister of National Revenue gave the House of Commons the facts and explained why, if he had information which came to him as the result of a position he holds outside the government and which he felt perfectly willing to give to the premier of Ontario a few weeks ago, he kept that information hidden all this time; and whether there is any truth at all in the statement that he had assured Mr. Dempsey that the government would not take action with regard to the contribution in 1951.

Mr. Deputy Speaker: Order.

Mr. McCann: I said a moment ago that was absolutely false. The hon. member quoted that before.

Mr. Zaplitny: No.

Mr. Deputy Speaker: Order. The hon. member will recall that, as the Minister of National Revenue said, he dealt with that point on a question of privilege a few moments ago. Of course the hon. member, and all hon. members, must accept the minister's assurance on that point, and I hope the hon. member who has the floor will not pursue it any further.

Mr. Zaplitny: In order that there may be no misunderstanding, that was the reason I asked the minister to which quotation he was objecting and he said it was the last one I had given. The one I have just mentioned was made previous to that. I understand that the minister now denies everything in connection with what Mr. Dempsey said to the reporter, as recorded in this newspaper. That still leaves many questions unanswered.

Mr. Lennard: He said "no, no, I did not."

Mr. Zaplitny: I will leave it to the minister right now. He can have all the "no, noes" he wants. He can tell the house exactly what has happened and where he finds authority in section 55 of the succession duty act to disclose information to the premier of Ontario which he cannot disclose to this house, and to what extent he is involved in this whole question of the contributions to Mr. Dempsey which came to his knowledge as a result of his being a director of the company.

Some hon. Members: Question.

Some hon. Members: Answer.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, will you call it six o'clock?

Some hon. Members: No.

Mr. Hahn: Apparently the house is anxious to hear me, so I shall continue.

A few moments ago the hon. member for Fraser Valley (Mr. Patterson) told of some of the difficulties his people encounter in trying to carry on fishing in the Fraser river, as the result of certain action the Department of Fisheries has taken to conserve, or so-called conserve, salmon. I have a similar problem in my riding, and I should like to second everything that he has brought to the attention of the house.

I am sure the minister has had many representations, even as I and the hon. member for Fraser Valley have had. We have had many meetings; we have had many letters indicating disapproval of the regulation that was brought in a year ago announcing the date of closure of salmon fishing above the Pattullo bridge. Many cross words have been used and many accusations have been made. The hon. member for Fraser Valley mentioned Peter Jenewein. He is a fisherman; he is connected with the united fishermen and allied workers' union. He is also the reeve of the municipal district of Maple Ridge. As recently as the day before this house opened he indicated to me that things had reached such a state between the Minister of Fisheries and the gill net fishermen that they considered it absolutely futile to talk to such an autocratic minister. Such a condition is most unfortunate. It is most unfortunate that any group of producers in this country should feel it absolutely futile to spend a few moments with a minister of the crown discussing the possibility of rectifying a condition that has been forced upon them. I would say that some fault must lie with the minister.

The history of the fishing industry in British Columbia is long, and I do not intend to elaborate on it at this time. However, last year the minister indicated something of the story of the protection of the sockeye salmon industry in British Columbia, and what it means to that province. I am not too interested in that question at this time, by reason of the fact that the international Pacific salmon fisheries commission, which was set up some years ago to protect the sockeye salmon, has done an excellent job on the conservation of sockeye. Last year we had the finest sockeye salmon fishing season in the history of our province. We obtained something in the neighbourhood of 9,500,000 salmon. This commission, which is virtually a partnership between United States and Canadian fishermen, has proven most successful, with the result that an industry that at one time was threatened with extinction is today thriving.

I should like the minister to recognize one fact in this regard. That is that we built up a tremendous fishing industry because we had conservation of fish according to the proposals set forth by the fishermen themselves under the international joint commission which studied the question. Fishing was continued above the Pattullo bridge, the very thing the minister is asking us not to do today. The conservation program that was carried out under the terms of the agreement helped to save our sockeye fishing industry.

The fishermen themselves are most anxious to protect their own industry. They know what will happen to them unless they have conservation in all branches of the fishing industry, so they have done everything possible to study the question. They have tried to meet the minister half way, but it

seems that such a thing is quite impracticable and the minister just will not listen.

When the minister spoke in the debate last year he indicated that he had changed his mind to a certain extent, and he set back the time for closure by some six weeks. He mentioned at that time that it would gradually be closed off completely. However, that is not desirable. It did not satisfy the gill netters, who are most affected by this particular action.

The representations that were made to the minister by the united fishermen and allied workers' union, as well as by the gill net section of the Pacific fishermen and allied trades union, were mentioned earlier by the hon. member for Fraser Valley and I am not going to deal with them at this time.

Some hon. Members: Six o'clock.

Mr. Hahn: Mr. Speaker, will you call it six o'clock?

Mr. Harris: Before that is done, may I say that everyone is aware of the fact that the hon. member is the last speaker on the list in this debate. I wonder whether the house would continue long enough to enable him to complete his remarks and have a vote.

Mr. Fulton: No. Many hon. members have left the house.

Mr. Deputy Speaker: Is it agreed?

Mr. Fulton: No, Mr. Speaker.

Mr. Deputy Speaker: It is not agreeable?

Mr. Fulton: No.

Mr. Harris: Mr. Speaker, I do not want any misunderstanding. I am not attempting to put anything over on the house. It has been the agreement all day that when we reached this point we would have a vote. I hope hon. members will find it possible to do so, but if that is not the desire we can only adjourn until tomorrow. On reflection I think hon. members would prefer to get the vote over with now, and if they feel that any absent member has something to say, it is possible for him to say it on the main motion tomorrow.

Mr. Knowles: Mr. Speaker, it is now three minutes after six o'clock. It would be perfectly legitimate if some hon. members have gone home, in which case they would not be here to record their votes if a division were called at the end of the hon. member's speech.

Mr. Hahn: Lest there be any misunderstanding, I want to say that I am quite prepared to talk for the next 30 or 40 minutes. I shall comply with your wishes. The Minister of Finance and I had had a discussion earlier today respecting this debate. This would not have happened if things had taken their normal course. If the house wishes to call it six o'clock I am quite happy to agree.

Mr. Deputy Speaker: It would require unanimous consent to proceed. Do I understand that unanimous consent has not been granted?

Some hon. Members: No.

On motion of Mr. Hahn the debate was adjourned.

It being three minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, May 12, 1955

The house met at 2.30 p.m.

QUESTIONS

RENFREW MACHINERY COMPANY

Mr. Fleming:

1. What was the price paid by the government for the purchase of the plant of Renfrew Machinery Company in Renfrew, Ontario, and when was it paid?
2. What amounts were spent by the government in alterations and improvements on the plant, and when?
3. When was the plant sold by the government, to whom, and at what price?

Mr. Dickey:

1. The price paid for the plant of the Renfrew Machinery Company, including certain machinery and equipment, was $1,160,000 in September, 1951.

2. The plant, as purchased at the time of the Korean crisis, was used for light commercial manufacturing. Alterations to the extent of $311,708 were made to the existing plant, and additional plant services (power house, electrical, air, water and steam) to the value of $605,572 were provided to service new machinery and equipment valued at $1,956,447.61, which was urgently required for the production of jet engine components.

3. The land and buildings (excluding the above-mentioned machinery and equipment, title to which remains vested in the crown) were sold in April 1955, to Aluminum Castings Limited, 123 Hope Street, Glasgow, Scotland, for a price of $800,000.

A. V. ROE COMPANY—ORENDA ENGINES

Mr. Knowles:

1. Is the total aircraft production of the A.V. Roe company, Avro Aircraft Limited and Orenda Engines Limited, contracted for by the federal government, or any department or agency thereof? If not, what proportion is?
2. Is Orenda Engines Limited obliged by the federal government to supply engines to other specified aircraft producers in addition to Avro Aircraft Limited? If so, to what producers?
3. Is the A.V. Roe company, Avro Aircraft Limited, or Orenda Engines Limited, subsidized in any way by the federal government, or by any department or agency thereof? If so, to what extent?
4. Has the federal government any other kind of financial interest in the A.V. Roe company, Avro Aircraft Limited, or Orenda Engines Limited? If so, what is the nature and extent of such interest?
5. On what basis does the federal government or any department or agency thereof purchase aircraft from A.V. Roe company, Avro Aircraft Limited, or Orenda Engines Limited? Are such purchases made at a flat price, or on a cost-plus basis?
6. Has the government any information regarding the financial position, including the profit position of the A.V. Roe company, Avro Aircraft Limited, and Orenda Engines Limited? If so, is such information available to parliament?
7. What proportion of the total aircraft production in Canada is undertaken by the A.V. Roe company, Avro Aircraft Limited, and Orenda Engines Limited?

Mr. Dickey:

1. Yes.

2. Yes. Canadair Limited for F-86 Sabre aircraft.

3. No.

4. Yes. Crown-owned capital assets, including plant and equipment valued at $65,057,725 have been provided to these companies for the carrying out of defence contracts. Of this amount, assets valued at $17,388,436 were subsequently purchased by the A. V. Roe Canada Limited, and equipment valued at $1,043,449 and $2,990,474 were transferred to MacDonald Brothers Aircraft Limited and York Gears Limited respectively.

5. Contracts for the production of aircraft by Avro Aircraft Limited and for the production of engines by Orenda Engines Limited are negotiated on the basis of a fixed fee plus incentive bonus on savings under a target price arrangement, with a total profit limitation of 10 per cent of target. The A. V. Roe company is a holding company only and, as such, has no direct contracts with the government.

6. Yes. The Department of Defence Production receives regular financial statements of these companies on a confidential basis, and has not made them available to parliament.

7. During the fiscal year 1954-55, Avro Aircraft Limited and Orenda Engines Limited accounted for some 60 per cent of total expenditures for production of aircraft and engines in Canada. On the basis of empty weight of aircraft including engines and fixed equipment, the two companies produced 37·7 per cent of total Canadian production.

With reference to the foregoing over-all percentage figures, it should be noted that they are inclusive of production carried out by subcontractors which, in the case of the engines, represents approximately 65 per cent of the total, and in the case of aircraft, 20 per cent of the total.

Questions

R.C.A.F.—PILOTS KILLED

Mr. Campbell:

1. How many student pilots have been killed in training during the past five years?
2. How many pilot graduates have been killed in the same period within a year after graduation?

Mr. Blanchette:

1. 31 members of the R.C.A.F. and 22 NATO students have been killed in training during the past five years.

2. During the past five years, 59 members of the R.C.A.F. have been killed within a year of graduation.

CAPITAL EXPENDITURES

Mr. Bell:

What is the percentage change in the level of capital expenditures from 1953 to 1954, and the anticipated change from 1954 to 1955 for each province as estimated by the Department of Trade and Commerce?

Mr. Dickey:

CAPITAL EXPENDITURE BY PROVINCES 1953 TO 1955

Province	Value of capital expenditures			Per cent change	
	1953	1954(1)	1955(2)	1953 to 1954(1)	1954 to 1955(2)
	$ millions	$ millions	$ millions		
Newfoundland	80·0	67·0	83·0	−16·2	+23·9
Prince Edward Island	17·4	18·3	19·4	+5·2	+6·0
Nova Scotia	157·0	160·2	162·3	+2·0	+1·3
New Brunswick	108·5	117·1	149·5	+7·9	+27·7
Quebec	1,374·4	1,299·9	1,393·7	−5·4	+7·2
Ontario	2,105·6	2,065·8	2,186·9	−1·9	+5·9
Manitoba	285·8	267·9	258·5	−6·3	−3·5
Saskatchewan	357·4	352·8	308·9	−1·3	−12·4
Alberta	729·2	610·7	659·2	−16·3	+7·9
British Columbia	626·0(3)	535·4	585·3	−14·5	+9·3
Canada	5,841·3	5,495·1	5,806·7	−5·9	+5·7

(1) Preliminary.
(2) Anticipated.
(3) Includes Yukon and Northwest Territories.

*STATISTICAL INFORMATION TO MEMBERS OF PARLIAMENT

Mr. Fulton:

1. In how many government departments is it laid down that officials may not furnish direct to a member of parliament any statistical information requested by him (even though it be not of a nature "classified" on security grounds) but must channel it through the minister's office or some other such intermediary?
2. By whom was this policy laid down, and how long has it been in effect?

Mr. St. Laurent: This is a question which is marked as one which the hon. member wishes to have answered orally. There is not, and I do not know that there has ever been, any general directive of the character described in the question, and applying to all departments. Each minister has the responsibility for the administration of his own department and generally is looked upon as having the responsibility for any information that comes from that department.

Of course there are some matters about which inquiries can be made, that require merely statements of fact, that are not open to any controversy whatsoever. They are actual facts. With respect to statistics, many of these have to be made up involving elements of estimate, and I think it is quite natural that the minister would wish to know what kind of statements involving estimates and opinions are prepared by officials

in his department before they are issued as a formal statement on behalf of the department.

Mr. Speaker: Answered.

R. F. WELCH CONSTRUCTION COMPANY

Mr. Diefenbaker:

1. Has the R. F. Welch Construction Company (British Columbia) Limited, since April 1, commenced work by extra gangs on the Calgary division of the Canadian National Railways?

2. If so, how many men are employed on each of such extra gangs?

3. Has the said company been requested by the brotherhood of maintenance of way employees to hire sectionmen and B & B men who are for the moment laid off as regular Canadian National Railway employees on said gangs?

4. If so, how many of sectionmen and B & B men laid off by the railroad company have been taken on the strength of the said gangs by the said construction company?

Mr. Langlois (Gaspe): The Canadian National Railways advise as follows:—

1. On April 1 and 2 two gangs commenced work on the Calgary division, which was completed on April 25.

Since the first of the year R. F. Welch (B.C.) Limited has also had a small gang of 12 to 15 men doing miscellaneous work on the Calgary division. For the purpose of unloading steel rails this gang was later increased to about 22 men of whom 16 were immigrants brought to Canada by R. F. Welch (B.C.) Limited during the early summer of 1954 and are still employed by that company.

2. Gang No. 1, set up on April 1, consisted of 73 men, of whom 61 were labourers employed by R. F. Welch (B.C.) Limited and 12 were Canadian National Railways maintenance of way employees, comprising foremen and machine operators recruited from the regular maintenance of way section forces.

Gang No. 2, set up on April 2, consisted of 70 men, of whom 58 were labourers employed by R. F. Welch (B.C.) Limited and 12 were Canadian National Railways maintenance of way employees, comprising foremen and machine operators recruited from regular section gangs.

3 and 4. So far as the management is aware R. F. Welch (B.C.) Limited has not been requested by the brotherhood of maintenance of way employees to hire sectionmen and B and B men who are for the moment laid off as regular Canadian National Railways employees on said gangs. However, there always has been an understanding with the Welch organization that laid off railway maintenance of way employees will be given preference in employment on Welch gangs. Moreover, roadmasters have been instructed to provide the employment office with names of laid off men wishing to work on Welch gangs, and these men receive preference.

Only a few laid off maintenance of way employees are known to have accepted work on the Welch gangs. During the past month (April) there has been an actual shortage of sectionmen and since April 15 requests have been placed with the Calgary office of the national employment service for extra men to fill the requirements of railway section gangs on the Calgary division. Of the men employed on the three gangs above referred to 125 were recruited through the Edmonton office of the national employment service.

MCCULLOCH PROPERTY, TRURO, N. S.—BUILDINGS

Mr. Purdy:

1. Have the buildings on the McCulloch property at Truro, Nova Scotia, owned by the government, been sold?

2. If so, (a) What steps were taken to secure the best possible price for same; (b) To whom were they sold, and what was the price obtained; (c) What were the conditions, if any, imposed on the successful tenderer?

Mr. Dickey:

1. Three buildings (frame dwelling, double garage and shed) located at 664 Prince street, Truro, N. S., (sometimes referred to as the McCulloch property) have been sold.

2. (a) Advertisements were posted in ten local post offices in the Truro area requesting offers to purchase these buildings for demolition and removal, in June 1954 and in July 1954. In addition approximately 25 requests for offers to purchase were forwarded to individuals.

(b) Mr. Lewis C. Reid, 300 Pictou road, Bible Hill, Truro, Nova Scotia. Price $125.

(c) A restoration deposit of $1,000 was required from the purchaser to guarantee satisfactory removal and demolition within 60 days.

LORNEVILLE, N. B., BREAKWATER

Mr. Bell:

1. What was the amount of the contract for the construction of the Lorneville, Saint John county, New Brunswick, breakwater, when and to whom awarded?

2. Has an investigation been conducted into the collapse of said breakwater in October, 1953, during construction?

3. If so, what was the cause and on whom did the responsibility rest?

4. Is construction to be completed? If so, when, by whom, and on what terms?

5. Have temporary arrangements been made for fishermen and others during this further period of completion?

Mr. Bourget:

1. (a) $196,115; (b) September 9, 1952; (c) Diamond Construction Company, Limited, Fredericton, N. B.

2. Yes.

3. The natural soil forming the foundation for the timber cribwork portion was less capable of sustaining the weight of the work than the borings indicated or than had been anticipated by departmental engineers. As a result, the outer end of the timber portion settled unevenly. The rubble mound approach and the inner end of the timber portion did not settle abnormally.

4. The project has been revised. A contract was awarded for this work, on the basis of public tender calls, to the Diamond Construction Company, Limited.

5. The stone rubble approach and the inner end of the timber portion provide some temporary facilities.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FINGERPRINTING OF GOVERNMENT EMPLOYEES

Mr. Harkness:

1. What government employees are fingerprinted in addition to armed services personnel?
2. Who does the work?
3. What use is made or it?

IDENTIFICATION CARDS

Mr. Harkness:

1. To whom are identification cards issued in addition to the armed services?
2. Where have the blank cards been procured from since 1950?
3. What has been the cost of these blank cards per thousand?
4. Have they been secured on a tender basis?

TRACADIE ARTILLERY RANGE

Mr. Brooks:

1. What has been the cost to date for (a) purchase of land; (b) construction of buildings; (c) improvement made in connection with the Tracadie artillery range and camp at Tracadie?
2. When was this artillery range last used by the Department of National Defence for training purposes?
3. Is it the intention of the department to make further use of this range?

R.C.A.F. STATION, COMOX, B.C.—CIVILIAN EMPLOYEES

Mr. Barnett:

1. Under what job classifications are civilians employed at the Royal Canadian Air Force station, Comox, British Columbia?
2. What are the weekly hours of work and the hourly or monthly rates currently paid under each job classification?
3. What other benefits or indirect compensation do employees in each of the classifications receive?
4. Were the rates and hours of work established as a result of a prevailing rate survey in respect to each of the classifications?
5. If not, on what basis were the various rates and weekly hours of work set?

Mr. Blanchette: Return tabled.

[Mr. Bourget.]

INDIANS

Mr. Michener:

1. What is the number of Indians (under the Indian Act) in Canada today?
2. What is the annual rate of increase?
3. What is the average size of Indian families or the ratio of children to adults?
4. What is the total amount paid to or for the benefit of the Indians by each department of the Canadian government and the total of all such payments (a) in the last fiscal year; (b) as estimated to be paid in the current fiscal year?

FEES TO BARRISTERS, PRINCE EDWARD ISLAND

Mr. MacLean:

What are the names and addresses of barristers, solicitors and advocates in Prince Edward Island to whom fees which total in excess of $200 have been paid by all departments of government, and what was the amount paid to each of them since the 1st of January, 1947?

NATIONAL DEFENCE

VALCARTIER CAMP—REQUEST FOR STATEMENT REGARDING EXPLOSION

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Is the minister in a position to make a statement regarding the explosion at Valcartier Camp late last night, and the death of three persons following it?

Hon. R. O. Campney (Minister of National Defence): I have just received a report on this accident, Mr. Speaker, and I think it covers most of the salient facts.

Last evening a party of four civilians, two men and two women, entered a road leading from the Camp Valcartier-Valcartier village road to the back of Valcartier Camp. They drove their car to a double row of large fence posts which had been placed across the road to prevent entry to the area, which is a rocket range and is out of bounds to all civilians. The telephone poles along the road are clearly marked "out of bounds". At both ends of the road there are signs marking the fact that it is national defence property. The range itself is clearly marked with large signs in both English and French reading, "danger, unexploded projectiles".

Notwithstanding these warnings, this party of four people parked their car at the double row of fence posts and went approximately one-quarter of a mile into the range beyond the fence posts and there began collecting inert rocket bombs on the range. After apparently loading the car with some 40 or 50 of these, it was found that the weight was too great for the vehicle. Accordingly some of the rockets were thrown onto the ground to lighten the weight; at least the lady

who was injured so indicated. One rocket exploded when thrown out and three of the occupants of the car, namely Mr. O. P. Daigle, Mr. Adrian Labranche and Miss Marie Clare-Daigle were killed. Mrs. O. P. Daigle was severely injured, but was able to walk to the camp, a distance of some two and a half miles, where she called at the first house where she saw a light shining. It happened to be the home of the medical officer, who immediately arranged for her to be taken to a hospital in Quebec city. The provost corps, the Royal Canadian Mounted Police and the provincial police were immediately summoned and a full investigation is now under way.

Mr. Dufresne: Mr. Speaker, may I ask a supplementary question. As the minister said, there are signs both in French and in English.

Some hon. Members: Question.

Some hon. Members: Order.

Mr. Dufresne: Is it the intention of the department, knowing that people have this habit of picking up shells, to have more sentries on duty following this explosion?

Mr. Campney: In answer to the supplementary question asked by the hon. member, may I say that when the inquiry into this unfortunate accident has been concluded we shall then look at all the facts adduced and decide what, if any, further steps should be taken in the interests of public safety.

POSTAL SERVICE

NORWAY HOUSE, MAN.—REQUEST TO SPEED UP MAIL DELIVERY

On the orders of the day:

Mr. William Bryce (Selkirk): Mr. Speaker, I should like to direct a question to the Acting Postmaster General. Norway House, Manitoba, has received no mail service for over five weeks. What can the department do to speed up this service?

Hon. J. W. Pickersgill (Acting Postmaster General): Mr. Speaker, I made some inquiries about this matter one minute before I came into the house. The headquarters of the Post Office Department is not quite sure that the hon. gentleman's statement of fact is accurate, though it may be. It appears that there is a period when mail can no longer be taken in on the surface because of the break-up of ice and before it is possible to land planes. No one seems to have devised any way of getting the mail in during that period. I am told that this usually happens every year for a short period, and I have asked them to investigate at once to see if anything can be done to speed up mail delivery.

Mr. Bryce: I have a supplementary question. I want to assure the minister that my information is accurate. I know the gentleman who wired me, and if he said—

Some hon. Members: Order.

Mr. Bryce: Have I your permission, Mr. Speaker?

Mr. Speaker: Order. The hon. member has the right to ask a question.

Mr. Bryce: Thanks very much, Mr. Speaker. I want to assure the minister that my information is accurate.

Some hon. Members: Question.

Mr. Speaker: Order.

NATIONAL REVENUE

ALLEGED RELEASE OF INFORMATION—REQUEST FOR INVESTIGATION BY PRIME MINISTER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of the concern of all of us, will the Prime Minister, on behalf of this house, personally investigate every aspect of the McCann-Drohan-Dempsey-Frost affair to ascertain whether or not the Minister of National Revenue acted in complete accordance with his responsibilities as a minister?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not think I should personally investigate an incident that seems to be of considerable partisan political importance in the course of the election that is taking place in the province of Ontario at this time. I am satisfied that the Minister of National Revenue has discharged his duties in accordance with the practice that has prevailed hitherto. I do not want to get into any controversy about it.

The hon. gentleman asked me whether I was going to make a personal investigation of the facts. I have heard the denial of the rumours that have circulated about the way this incident took place, and having ascertained from the Minister of National Revenue what actually did take place I do not think I need make any further examination of the problem.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to ask a supplementary question. So that any misunderstanding may be avoided, because I might say it is our intention to defer an examination of this subject until the estimates of the minister are before the house and we can discuss it with a freedom that is not possible now, do I understand

from the statement of the Prime Minister that he is fully informed in regard to the facts of this case in reaching the decision which he has stated?

Mr. St. Laurent: All I can say is that I am fully informed in respect of the information that has been given to me. I cannot say there is no information other than that which I have received that might be given to me. I have formed my opinion on the information I have received, and I feel satisfied that it fully covered the incident.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask a supplementary question of the Prime Minister. Following the examination he made, does he not consider that it is a matter of impropriety, or at least an action that is apt to give rise to serious consequences, when a minister of the crown holding a portfolio is also a director of a company that deals with that department?

Mr. St. Laurent: Mr. Speaker, I understand the Minister of National Revenue has been connected with this company, or with one of its predecessors that is being continued by the company under the present name, for some 42 years. He was Minister of National Revenue when I became Prime Minister, and I was very happy to have him continue because I knew of the efficient and painstaking way in which he had handled the responsibilities of that department, and I have never had any occasion to find any clash between his duties as the Minister of National Revenue and whatever connection he might have with this company, which I do not know has relations with the Department of National Revenue.

Mr. Diefenbaker: I should like to ask a supplementary question. I do not think that answers the situation at all. Is this not the type of case which indicates that no minister should hold a directorship while a member of the government?

Mr. St. Laurent: That is a matter about which I inquired before I became a member of the government, and I was told there was no rule of law or even traditional practice that required anyone who accepted such responsibilities to sever any previous connections he might have had. I was told that was something for each individual to consider in respect of his own position, and he might feel that it was desirable to sever all connections. In fact I felt that it was desirable to sever all such connections to avoid occasions for the kind of criticism—which I feel is not justified—that is being directed against the Minister of National Revenue at the present time.

I felt that I should not accept the invitation which was extended to me to become a member of the government unless I did sever my connections with the commercial and industrial firms with which I had been connected previously, but that is a matter each one has to decide for himself. I am sure that each one when he takes office does his best to fully discharge the responsibilities implied in his oath of office.

Mr. Drew: Mr. Speaker, in view of the fact that the principles being enunciated by the Prime Minister are of importance beyond the case mentioned, would the Prime Minister tell us whom it was that he referred to when he was told about this position?

Mr. St. Laurent: I was invited by the then prime minister, the late Right Hon. W. L. Mackenzie King, to become a member of his government. In the course of conversation I asked him about this and he told me there was no legal rule nor any traditional rule established by practice that would require me to sever my connections with the companies with which I had been associated; that that was a matter for each one to consider in the light of the position he would be assuming in becoming a member of the government.

I realized that there could be occasions for criticism, because in spite of my resignations it was suggested in this house that I had agreed to become a minister in order to carry out policies which were those of a board of directors with which I had been associated previously. In order to dispel that suggestion I had to assert in the house that the policy referred to in the criticism that was being made had never been mentioned in any way in the deliberations of that board, and that I had in fact severed my connections with that board before taking my oath of office.

In political life one must expect that any circumstance can be seized upon to direct what is frequently unfair criticism against those who hold office, and I wanted to leave as few opportunities as possible for unfair criticism.

Mr. Knowles: May I ask a supplementary question, to have the record complete? In view of the fact that the Prime Minister did resign all his directorships within a week after being sworn in as a member of the privy council, does he not think his colleagues should follow his lead?

Mr. St. Laurent: I do not think for the conscience of any others; I respect their concern for their responsibilities and reputations when they become members of the government. Each one has to make his own appraisal

of what it is advisable for him to do in order to have his position as honourably regarded as possible.

FLOODS

SASKATCHEWAN—REQUEST FOR STATEMENT OF PRESENT SITUATION

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to ask the Prime Minister if he can give the house details of the flood conditions which prevail in Saskatchewan, and what action the federal government is taking in connection therewith.

Right Hon. L. S. St. Laurent (Prime Minister): No. All I can tell the house is that I received a telegram yesterday morning from the premier of Saskatchewan informing me that three of his ministers would be here on Monday with drainage plans and surveys or estimates of the damage, and asking if I would meet them with some of my colleagues. I wired back immediately that we would see them in my office on Monday morning at 10.30.

PUBLIC SERVICE

PENITENTIARIES—INQUIRY AS TO INSTITUTION OF 40-HOUR WEEK

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to ask the Minister of Justice if he can report to the house that any progress has been made in instituting the 40-hour week for penitentiary employees?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I can report that the matter has been considered carefully by the Department of Justice and a memorandum has been prepared for the government as a whole, which is now under consideration.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Wednesday, May 11, consideration of the motion of Hon. W. E. Harris (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, just previous to my return to the house this afternoon there was an interparty meeting on the steps of the parliament building, and it was suggested by some of my Liberal friends and one of my C.C.F. friends that I would make myself highly popular if I stated that I would not continue my remarks on the budget. However, after discussing it with the members of one of the other groups we decided that as it is so hard to get the Liberals to understand things we should repeat, repeat and repeat them. I had quite a battle with my conscience, as you can understand, but I decided finally that I would do my best to explain what I wanted to bring before them.

In the few minutes at my disposal yesterday I indicated that I supported fully what the hon. member for Fraser Valley (Mr. Patterson) had said in respect to fisheries in British Columbia. I complimented the international fisheries commission upon the good work it had done. I pointed out also that there was a need for conservation of pink salmon and other fisheries. I mentioned something about the autocratic minister; and while I did not say so at that time, I must say now that I think possibly he is really a good man to send to Russia. One dictator would meet another.

First I should like to discuss the effect of the conservation methods which were formerly employed and what their results have been. On September 17 the fisheries council of Canada issued a bulletin. In that bulletin they referred to the question of whether Hell's Gate paid off. I am not very much interested in how well Hell's Gate paid off, because this is not only the question of a means of promoting a dam, but of a conservation measure that was carried out at that time, the same type of conservation to which I am proposing we return. If Hell's Gate paid off, the conservation measure which was employed at that time necessarily must have played an important part in it. Part of this report says:

> Canadian and American fishermen are expected to take over 10 million fish from the 1954 Adams river run which is now being fished by the gill netters in the Fraser river. This is a quite different picture from the "flop" in 1950, although 1946, the previous cycle year, was very good.
> . . . the results of conservation and regulation are impressive and it is gratifying that the press has devoted so much space to it since it will make it easier in future to secure funds for this type of work.

An hon. Member: Why not bring it up under the fisheries estimates?

Mr. Hahn: An hon. member has suggested taking it up under the fisheries department estimates. I had not decided how long I would speak on this matter, but he has just about made up my mind to spend my full time on it and possibly speak on it under the fisheries estimates and under supply as well, if he wishes.

The question arises as to who conserved these fish that made it possible for us to have

in 1954 the biggest fishing season in the history of the Pacific coast. It is apparent that it was the former action on conservation that made this possible. Here we had a group of fishermen who for years, with the assistance of the Department of Fisheries, had helped to conserve the fish in the Fraser river and made this huge catch possible. I say it is rather ironic, and certainly it is not right, that these fishermen, after they have conserved all these fish for all these years, should now be forced to put out to sea, much against their own wishes. The conservation program made it possible to protect the fishing industry and has given us the greatest season for fishermen in recent years.

On November 16 Mr. A. J. Whitmore, the chief supervisor of fisheries, issued a statement regarding Fraser river chum salmon fishing for 1954. At that time he said:

(1) Chum salmon fishing operations, both gill net and purse seine, have been intensive in the outside approaches to the Fraser, particularly the Johnstone strait area.

Section 3 goes on to say:

The main run of chums in the Fraser area normally occurs during the month of November. Surveys of spawning streams in the lower Fraser during the past few days show that they are practically devoid of chum salmon spawners from this main run.

That is a very pertinent statement, especially in view of the fact that we had begun in a modified way to put into practice the closure that was suggested last year by the minister. The escapement was not what the department had hoped for. It goes on to say:

The only chum escapement of significance so far has come from the early run which passed through the fishing area several weeks ago.

That was prior to the closure. Section 5 goes on to say:

To assist in meeting conservation requirements, it is therefore considered necessary that the period of the approaching weekly close season be extended from a three-day period to a five-day period . . . that all net fishing be closed commencing at 8.00 a.m. Thursday, November 18, to 8.00 a.m. Tuesday, November 23.

They have had to change the regulations as a direct result of their policy, which was not doing the job it was intended to do. One week later, on November 24 of last year, another bulletin was issued by the same man. I would direct the minister's attention to sections 1, 2, 4 and 7 of this report. No. 1 says in part:

It had been expected that considerable numbers of chum salmon would have escaped to the spawning grounds during the five-day closure in effect last week end. Further surveys, however, during the past week, do not show this to be the case.

[Mr. Hahn.]

So this additional closure did not help at all. Section 2 states:

The numbers of spawners visible on the grounds at this time are alarmingly few; the smallest for a considerable number of years despite the closure of fishing above the New Westminster bridge for a considerable part of the season.

Here we have a condemnation by the fisheries department's own man of the policy that was set up last year. Despite the closure of fishing above New Westminster bridge for a considerable part of the season there were fewer spawners there than for the past several years. Then section 4 states:

Catches by commercial fishermen in the river below the New Westminster bridge and by Indians in the up-river area have been practically nil, indicating that there are very few spawning fish escaping past the commercial fishery.

We certainly cannot blame the fishermen on the Fraser river for being responsible for that condition at this time. Section 7 states:

It is, therefore, considered essential that all salmon net fishing in district No. 1, including Howe sound and Burrard inlet, be discontinued as from 8.00 a.m. Friday next, November 26, 1954, in the interests of conservation.

It was therefore found necessary to completely close the area to fishing until such time as we could get the fish up on the spawning grounds and provide for future fishing. That is the absolute opposite to what we found was true in former years when, through co-operation between the fishermen themselves and the Department of Fisheries, it was possible to conserve sufficient fish to build up the fisheries industry to the point where we find it today.

Later, on March 16 of this year—just two months ago—Mr. Whitmore issued another bulletin in respect to the salmon spawning report for 1954. On the first page of that he had this to say:

Developments of special interest associated with the 1954 salmon migration and spawning escapement showed continuing improvement in the volume and distribution of sockeye spawning stocks in the Fraser.

Later in section 4 he says:

Fishing efficiency in the Johnstone strait and Discovery passage area is regarded as the major factor responsible for the light escapement of chum spawners to streams on the lower mainland coast, including those of Jervis inlet, Pender harbour, Howe sound, and Fraser river areas.

Just as it says, that would indicate that fishing efficiency is the major factor responsible for the fewer spawning fish going up the river. Then on page 2, there is a paragraph under the heading of spring salmon. This escapement I am speaking of now occurred while the upper Fraser fishing was going on in full swing. That is, in the spring escapement the fishing was being carried

on at the time the spring salmon were making their way up the river. It goes on to say this:

> Spawning stocks of this species over the province were well maintained. The escapement of springs to the Fraser watershed was satisfactory; well up to average in the Kamloops, Quesnel and Prince George areas, and above brood year levels in the Chilliwack and Harrison areas.

So you see that when the spring salmon were permitted to escape while the fishing was being done on the Fraser river according to the regulations as set forth by the Department of Fisheries in co-operation with the gill net fishermen on the Fraser, a sufficient number of spring salmon made their escapement. It was only during the time we found the fishing period changed that we ran into trouble.

Then in his statement in respect to chums on page 3, at the time of escapement of chums the fishing season was closed to the fishermen above New Westminster bridge. Let us see what effect it had:

> The over-all catch of chums was above average and with the exception of district No. 1 spawning supplies generally were satisfactory.

District No. 1 is the Fraser river district. With that exception, spawning in that area or in the over-all picture was satisfactory. This fact would indicate again that the argument that the closure of the Fraser river is in any way going to help in the matter of conservation of salmon at this time is not valid.

Let us analyse the reason for the effects of the closure as we now have it before us. The minister closed the fishing, that is above the Pattullo bridge, and after it was closed we lost spawning fish. The reason is quite apparent. If one were to stand on Pattullo bridge and look down the river, one could see the twinkle of many hundreds of lights on boats on the river. Just as we had earlier forecast, the fishermen merely went down river; and where we had a few hundred boats there before we added this huge number that had been up river up to that time. So we just doubled the number of fishermen below Pattullo bridge. I perhaps should not say "doubled", but rather that we increased the number of fishermen below Pattullo bridge. That merely meant the same number or more fish would be caught, for they could not get around the boats so well and the chances of fish escaping through the network of boats and nets were practically nil.

Then of course there was another factor, namely that more intensified fishing was carried on in outside waters, as the minister had suggested in his 1953 address to the fishermen's union. These fishermen were certainly doing an excellent job of netting them as they came around Vancouver island and into the Fraser.

Another reason for this closure not having the effect that it was suggested it should have is that only 1 per cent of the salmon are caught in that region above the bridge as compared with the other area, and it naturally could not have the effect that was hoped for.

What does this closure mean to the people of the area? The hon. member for Fraser Valley indicated something of that in his address yesterday, but I would say this. First, it means that those who were normally catching fish on the Fraser are now obliged to catch the same number, if possible, out at sea. This means that there is added cost to the fishermen. So the cost of fishing to these people is more. It means that a good number of these 600 and more fishermen in the area naturally enough do not have the equipment to go out to sea; therefore they just aggravate the unemployment condition in the area. It also means that community business suffers. The return to the fishermen will be less and therefore they would not have the money to spend in the community. It also means that those fishermen who were set up under the Veterans Land Act and who supplemented their income by getting something from this fisheries industry are being deprived of what had been their right for a good number of years.

There is one pathetic factor involved here, and that is that these same fishermen are not eligible for unemployment insurance. When they are in need and require financial help, they just do not get it.

At this time, Mr. Speaker, I should like to bring to the attention of the minister a letter I received in reply to one I had written to Mr. Fred Rolley, secretary of the Pacific fishermen and allied trades union, gill net section. I think this is quite self-explanatory and needs little comment on my part:

> Dear Sir:
>
> Replying to your letter of February 8 asking for certain information as to the income of the fishermen of the upper Fraser, we have done our best in the time at our disposal to get you some information in this matter.
>
> We have taken a cross section that we think would be average, neither the best or the worst of the fishermen and placed them in two categories, the first group containing an average cross section of full time fishermen who fished entirely above New Westminster bridge in both 1953 and 1954. The fishing effort of this group would be over a period of nine months in 1953 and eight months in 1954.

Now let us look at these tables:

	1953	1954
1.	$2,565.42	$1,915.44
2.	3,175.49	1,764.19
3.	2,707.64	1,794.98
4.	2,979.24	1,991.33
5.	4,027.92	1,800.79
6.	4,218.56	1,970.49
7.	5,124.29	2,474.00
8.	2,400.10	1,769.58

The above fishermen would be under an operating expense of very roughly $1,000 for each year.

With respect to these fishermen, their earning power was cut down to half or practically half in every instance. The letter goes on to say:

This second group of fishermen would have been fishing approximately six months in both 1953 and 1954.

	1953	1954
9.	$2,754.81	$1,906.15
10.	1,025.31	801.94
11.	1,078.19	849.75
12.	1,342.33	1,134.51

The story of the fisheries among these people on the Fraser river is sad. They have all had their incomes cut very materially. I know the minister can argue that these fellows are not real fishermen, and that if they went to sea they would get seasick. Possibly they would, but it does not necessarily mean a man is not a fisherman because he cannot go to sea. These men have been fishing on the river for years and making a living. They have conserved the fish over the years, and they see no reason why they should be deprived of that privilege. We might just as well argue that an airplane pilot is not a pilot if he happens to black out in the course of a dive. That does not mean he cannot fly an airplane.

These fishermen can fish. They have proven their ability to fish, as indicated in the letter from which I read. In some instances they have earned up to $5,000; and to be cut down to well below $2,700 because of the fisheries policy is not fair to the men in that area.

Is there a place for both seine and gill net fisheries on the Pacific coast? Certainly there is. The fishermen are agreed there is. All these men, no matter who they are, agree that the fishermen in the seine boats can carry on their fishing at sea and at the same time fish in the Fraser river can be conserved through the method in effect until last year. The answer is progressive closure in the early season to permit the salmon to go on up the river unmolested.

I said a good deal about the quality of fish in my speech on this subject on February 2 of this year. It can be found on page 778 of *Hansard*. I am not going to repeat what I said at that time, but I would suggest that the minister take note of it. Another question has arisen quite recently in which I think the minister might be interested. It has to do with the problem of the conservation of fish on an international basis. Just prior to the opening of the house after the Easter recess, in fact on the Sunday before, the united fishermen and allied workers' union called a meeting of all interested United States and Canadian fishermen to discuss the problem of conservation.

I think that organization should be given some credit for its foresight in taking action at that time. To indicate who were there and that it was not a meeting of Canadian organizations only, I find in the minutes such names as Dan Assu, vice president, southern district, native brotherhood of British Columbia; H. Steve Stavenes, president of the united fishermen and allied workers' union; John Brown, president of the reef netter owners' association; Floyd Gregor, president of the reef netters' union, local 4 of the international longshoremen's workmen's union; Bob Cummings, secretary of local 3, international longshoremen's workmen's union; Joe Burrows, president of the Puget Sound gill netters' association; Lud Bretvich, vice president of the Puget Sound gill netters' association; and Dick Kink of the Puget Sound vessel owners' association.

I had been invited to the meeting, as was the minister. The minister could not attend, but I do not blame him for not being in attendance because he might have been asked for a policy statement which I do not think could properly have been made there. However, I did note with satisfaction that the minister had representatives at the meeting. For some time now it has been suggested that such a committee should be set up to study the problem of conservation.

I should like to compliment the minister at this point on having the foresight to suggest to the fishermen of British Columbia last year that they go out to sea off Vancouver island, do their fishing there and get their fish before the Americans got theirs. The salmon run through that water, and by doing that the United States fishermen would have their catches cut so much they would come to terms. Apparently they are ready to act, for the fishermen themselves do not want a race to deplete the fisheries industry.

As a result of that meeting a resolution was moved which I should like to put on record at this time. It is to be found on page 7 of the minutes, and reads as follows:

This joint conference recommends to all fishermen's organizations and all other interested fishery organizations on both sides of the international boundary that the proposal of the U.F.A.W.U. for the inclusion of pink salmon into the jurisdiction

of the international Pacific salmon fisheries commission for conservation, rehabilitation and equal division be given thorough study and support.

Be it further resolved all organizations represented here agree to hold further joint conferences at the request of organizations on either side of the line as soon as possible in order to work out the maximum unity and to agree on steps to implement whatever common program is adopted.

The minutes continue as follows:

The resolution was seconded from the floor and brother Bob Cummings of the I.L.W.U. spoke in favour of the resolution.

It will be noted on page 8 of the minutes that the resolution was put to a vote and carried unanimously. All the people who were there representing these various organizations were unanimous with respect to handling this fisheries problem we have in the Pacific northwest. I would particularly commend to the minister's attention the proposal that the international Pacific salmon fisheries commission should proceed to look after the existing problem. I am not alone in this suggestion. The *British Columbian*, a newspaper which speaks for the people of that area, had this to say in an editorial headed "Fishermen's Voice" in its issue of April 19, 1955:

Success of the work of the international Pacific salmon fisheries commission, which governs the catch and distribution of the sockeye salmon, should be enough to encourage the governments of Canada and the United States to work out a similar treaty on pink salmon.

Need of the treaty, to end a continuing battle between the fishermen of the two nations, is indicated by the strength of the voice of the fishermen at the week end.

American boats have long held the balance of power because of a larger fleet but as Canada's fleet grows the need of a treaty becomes more urgent. Organization and control of the fleets, protection of the runs by a commission established through a treaty will be necessary to maintain this important part of the salmon fishing industry. What the international Pacific salmon fisheries commission achieved for the sockeye—that is, fair distribution of the catches through adequate controls, building up of the runs through control and conservation, and a general elevation of the tasty sockeye itself—can be done for the secondary pink salmon.

The voice of the fishermen meeting at White Rock was loud enough to be heard at Ottawa and Washington, and should produce results.

I ask only that the minister take note of that fact, that this is a desirable thing, and I would ask him to support the fishermen's unions in this request.

Miss Sybil Bennett (Halton): Mr. Speaker, this has been a long debate, and I had not intended to take part in it. However, I shall speak for only a few moments.

In rising to speak may I say that I feel I have some prescriptive right, if I may put it that way, because I would remind the house that for about a year I had asked the minister of finance to reduce the excise tax on automobiles. Of course I was very happy, along with all members in the house and the people of Canada generally, to see a reduction. But may I say, with all due respect to the minister, that I think he should have gone further. I believe there should have been a full reduction of this 15 per cent tax, commonly described as a luxury tax.

One of my reasons for saying this is that not many weeks ago the Minister of Trade and Commerce (Mr. Howe) said in the house that the upswing in business and employment in the United States was in no small measure due to the upswing in the automotive industry, and the increased production in that industry. What is true of that country would be equally true of this. I am told further that if the tax were removed entirely we would be able to produce cars in Canada as cheaply as they do in the United States. This would mean a tremendous increase and widening of the market for motor cars.

Singling out this industry in particular, it must be kept in mind that considering it in its primary stage, which is the production of motor cars, and also in its secondary stage, its tertiary stage, and all its other ramifications, the automotive industry is the largest employer of men and women in Canada. That means a great deal. It means that it is the largest producer of homes and of food and all those things required to maintain the population of this country. We must also keep in mind that not only is this a very important industry, but that at least 179 other industries in this nation are entirely dependent upon the production of automobiles. These various industries stretch from coast to coast, from the Atlantic to the Pacific. They provide work and homes and all those things the employees require.

When one stops to consider the amount of steel, iron, aluminum, rubber, oil, textiles and products of the farm that are used in the manufacture of motor cars and all their component parts, and thinks at the same time of the farmers who receive additional income, one realizes just how important it is. Just think of the employees in the steel industry, the aluminum industry, the oil industry and the textile industry who need support and assistance at this time. I note the minister has just now entered the chamber, and I trust he will give this matter sound and diligent thought and consideration, to ascertain whether it would not be advisable, right at this time when we have unemployment in somewhat serious proportions, to consider entirely removing the 15 per cent excise tax from automobiles.

I believe the country would benefit from such action. I believe the treasury would benefit by way of additional sales, additional employment and additional taxation. Sometimes I think we lose sight of the fact that 90 per cent of the men and women driving cars in Canada are earning $3,000 a year or less. This means that 90 per cent of the men and women driving cars are on salaries in the lower brackets. They are the men and women who are moving from place to place, maintaining the mobility of labour. It was not so many weeks ago the Minister of Labour mentioned the fact that the mobility of labour in this country meant a great deal in maintaining the level of employment. We would greatly increase the numbers of car buyers if the prices of automobiles could be reduced through a further reduction in the tax.

I know the country must collect taxes; but it may be that we are at the point of diminishing return so far as the automotive industry is concerned. In my view the additional revenue that would come to the minister from other industries by way of income tax would more than compensate him. I venture to say he would be further ahead if the excise tax were removed, and in the meantime it is almost certain that several thousand more people would be given employment. When I say that I think I am speaking very conservatively.

I have said I would be brief, but there are one or two further comments I have to make, the first of which has to do with the royal commission the minister announced. I do hope that when it is appointed careful consideration will be given to processing our raw materials into finished products. I am sure it is correct to say that we are 25 or 50 years behind the times in this respect. We are still directing our economy along the lines we followed when we were a young country, when we had tremendous resources which, it was felt, could never be exploited. In those days we had a small population and it was all right to send out our raw materials and allow some other country to process them.

But what has happened? Our supplies of iron ore are running out, and the same applies to our supplies of aluminum. The same can be said about our nickel and copper. All these are going to the United States to be processed. One outstanding example I would place before the minister for his consideration is that of asbestos fibre. Canada sells $60 million worth of asbestos fibre to the United States each year. In that country our asbestos is processed and turned into finished products for resale. The result is that the $60 million becomes $450 million in the United States.

Think of the homes that sum of money provides. Think of the building it makes possible. Think of the clothes and the food, the extent to which all concerned along the line benefit by this $450 million. I say we have arrived at a stage in this country when we must keep those raw materials within our own borders, and give to our men and women the benefit of the returns that can be obtained from those materials, and the labour opportunities that would be opened up.

Then I have one further point—it seems that I keep on saying I have one more statement to make—and this has to do with immigration. I hope the royal commission will consider immigration so we may have some over-all plan. This is a great and magnificent country. It can be said that in the last 50 years in particular the very foundations of what we have in Canada today, industrially, economically, socially and indeed morally, were laid by the newcomers to this nation, those who went out to our frontiers and opened up our farms, our mines, our forests and our fisheries. We should have some over-all plan under which new people coming to this country would go to our frontiers, would man our new lands, would go to our mines, our fisheries and our forest industry.

What really is happening now, and it is a rather serious thing, is this. We see it down in the older parts of Ontario, particularly in the north of my county where a great deal of farming is carried on. These newcomers come in and they go on the farms. They stay there only a short time. Then what happens? They leave and go into the cities, into the crowded industrial areas, and there they try to find employment. During last year they helped to swell the ranks of the unemployed. The farmers are not really able to depend on their staying during the season when they need them most.

Therefore in this country we should adopt some real over-all plan under which these new people coming in will go out and make themselves worthy citizens, which they want to do, and at the same time further expand, extend and exploit this great land to the extent that it should be exploited.

This is the last point, Mr. Speaker. A great many things have been said in this debate, and they did not always refer to finance. This is becoming a very dangerous country in which to live. The other night the hon. member for Swift Current-Maple Creek (Mr. Studer) more or less raised a battle cry in this house. He said the gentlemen of the house should wear beards to protect themselves, I guess, against the women, to whom

he referred in not too complimentary terms, as I recall it. He said we have four women sitting in the house right now.

Well, you know, we have had a great many conflicts in this house, Mr. Speaker, over the years, many historic conflicts, but now we are about to have the greatest conflict of them all. I look across the house, I look to my left and I look to my right and I think of all these great men, such as the Minister of Finance (Mr. Harris) himself and perhaps the Minister of Public Works (Mr. Winters) who just went out. I can just visualize how they would look with beards. You know, Mr. Speaker, I shudder to think what is going to happen with respect to dislocation of industry. For example, barbers will be out of employment. Then the steel makers will be on short time, too, because they will not be making razors. The soap makers will be on short time because they will not be making soap powder and soap, or whatever these gentlemen use on their faces, to say nothing of the perfumeries. All these gentlemen use perfume and put these lotions on their faces, but sometimes you cannot tell whether it is a shaving lotion or what it is.

Therefore, Mr. Speaker, we are going to have a tremendous displacement of industry just because the men of this house want to make themselves into Goliaths; they want to be Samsons. Let me remind them, before they embark on this venture, that for every Goliath there is a David and for every Samson there is a Delilah.

Mr. J. W. Noseworthy (York South): A few days ago, on the orders of the day, I asked the Minister of National Revenue a very simple question. I asked whether he would make a statement to the house that would clarify his position with regard to the Dempsey affair. The minister made a statement. I think hon. members will agree that the statement by the minister did not contribute much to the clarification of a very confused situation.

I should probably say at the outset, Mr. Speaker, that this affair, like the Ontario highways scandal and other such affairs that have developed in Canadian life, is due to a practice that has become fairly prevalent in Ontario. It may also be prevalent elsewhere. I refer to the practice of the government in power, whether provincial or federal, relying upon those who accept government contracts and those who profit from government business to finance their re-election to office.

That practice has become quite prevalent in Ontario, so prevalent, as a matter of fact, that while individual members personally are not concerned or affected or involved in any way, and while cabinet ministers in provincial and federal parliaments are not personally involved, the party machine does become involved and those recipients of government favours, whether federal or provincial, receive what actually amounts to a quota which they are expected to meet when election time comes around. I think that is the practice which is back of much of the trouble we see in this Dempsey affair and in other such affairs.

My point in asking the minister the question—as a matter of fact my whole concern—was to give him an opportunity to clarify that confused situation. It is a matter of interest to the house because it affects every man in public life in Canada. Here is the situation. A member of a provincial legislature of some ten years' standing, apparently a reputable citizen, makes a statement to which he says he is prepared to take an oath. A cabinet minister, also a responsible citizen, categorically denies that statement. In effect, what we have is two men holding responsible positions in public life calling each other a liar.

I submit, Mr. Speaker, that is a situation which is not conducive to good government. It serves to undermine public confidence in public men, in both the statements and the actions of those in public life throughout this country. In the interests of government, in the interests of those of us who are in public life, this situation requires more clarification than the minister has yet chosen to give it.

I realize that the minister is in a difficult position; I realize that he has much information on this particular case which he is prevented from giving to the public. I still think there are some things the minister could tell us that would clarify his own position in this matter. It is not good enough for two men in such honourable positions as these two gentlemen occupy just to be content with each saying that the other is making a false statement. Even though it might be so, at least one of them says he is prepared to take an oath regarding the truth of his statement.

This is a matter that should be looked into further. Whether it is the Prime Minister's responsibility, or whoever else's responsibility it is, in the interests of this government and of this parliament we should have some further enlightenment on just exactly what did take place.

For instance there is the statement in yesterday's Ottawa *Citizen* in which Mr. Dempsey outlined the time and place and circumstances under which the Minister of

National Revenue was alleged to have made a certain statement to him in which he indicated that the Department of National Revenue was quite prepared to forget the whole thing. The minister denies that categorically, and Mr. Dempsey comes back and says he is quite prepared to take his oath as to the truth of that statement.

This is all most confusing. While we in this house accept the minister's statement the Canadian public are not in the same position as members of this house, and they must be confused. As I have said already, the situation does not tend to inspire public confidence in men in public life.

There is another phase of this matter which I think needs clarification. I have no doubt the minister can give a satisfactory explanation if he wishes to do so. It is quite obvious from the knowledge we have that the minister was in possession of information that this donation had been made by Mr. Drohan. He came into the possession of that information shortly after Mr. Drohan's estate came up for settlement. The question we are asking is this. If that be so, why did the minister keep that information to himself for two years when the provincial treasurer, in the minister's own words, was legally entitled to it? Just why did he withhold that information from the provincial treasurer until a provincial election was called in Ontario and the person concerned is likely to be a candidate in a provincial riding?

If the minister was passing this information on to the provincial treasurer as Minister of National Revenue because there had been something irregular in relation to the payment of succession duties, there is no reason why that information should have been withheld for two years and then given out in the way the minister himself says it was given to the provincial treasurer when he was here in Ottawa to attend a conference a matter of some weeks ago.

On the other hand, if the minister's concern was that this man had violated the Ontario election act then it becomes more important that we should know why the information was withheld until after the announcement of an Ontario election. I think the minister owes it to the members of this house to tell us why that information was withheld from the provincial treasurer for a couple of years, and then imparted to him under such circumstances and at such time as I have indicated.

Otherwise, rightly or wrongly, the minister is bound to be accused of making use of information which he received as Minister of National Revenue for political purposes. That is the conclusion which is being drawn across this country, that the Minister of National Revenue made use of information which came to him confidentially as Minister of National Revenue for political purposes, in order to defeat a candidate in a provincial election.

Personally I do not think for a moment that is the case, but I suggest once again that while this debate is proceeding the minister give us a statement in this house which will at least give some clarification to this situation.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I rise to speak on two matters which I think are of great importance, though they are widely separated in their content. I follow the hon. member for York South, who has again brought to the attention of this house the Dempsey case. I was most amazed at the incredible and amazing statement made by the Prime Minister this afternoon in connection with this incident.

I do not think since I came to the House of Commons in 1945 there has been a statement made which was so incredible. I say this because of some of the words which I think the Prime Minister used in the answer he gave to the questions which had been asked. One of the phrases he used was that this matter was of considerable partisan importance. It is more than of partisan importance, it is important to the whole parliamentary system we have here, and indeed to our democratic system.

There have been so many statements and counterstatements that I submit this house is entitled to an investigation committee to determine the merits of the case. On the one hand we have the former provincial member, Mr. Dempsey, who states that he spoke to the Minister of National Revenue and had the conversation which is reported in the Ottawa *Citizen* of May 11. The Minister of National Revenue denies it. Then we have the counterstatement by Mr. Dempsey that he is prepared to swear under oath that he is telling the truth, and that the statement he made to the press and which appears in the Ottawa *Citizen* is correct. In other words he admits that he committed an indiscretion. In my opinion if what Mr. Dempsey has said is true, then the Minister of National Revenue has committed an indiscretion, and I think we should get to the truth of the matter.

Mr. Speaker: Perhaps at this point the hon. member should be mindful of the rule that no statement by one outside the house can be introduced to contradict what has been said in the house. What the Minister of National Revenue has said in this house must be accepted by hon. members. That is the

position which I think the hon. member should take, and I intervene at this point merely to remind him of that rule so he will have it in mind during the course of his further remarks.

Mr. McCullough (Moose Mountain): I accept what the minister has said, but I think that the country is entitled to an investigation in order to determine the truth in regard to this situation. I agree with the remarks of my deskmate, the hon. member for Dauphin (Mr. Zaplitny), who stated yesterday that under these conditions the minister should immediately resign. The right hon. Prime Minister, instead of being satisfied with this situation, should be tremendously interested, so much interested that he would be prepared to set up an investigating committee of this house to look into the whole matter. If the minister himself is not prepared to resign, then the Prime Minister should ask for his resignation.

Now, Mr. Speaker, the other matter with which I wish to deal is one which I want to approach in the national interest. In the past the federal government under certain circumstances has declared national emergencies. During the past week we in the provinces of Manitoba and Saskatchewan have experienced one of the worst storms in our history. Indeed, in a report appearing in the *Leader-Post* the premier of Saskatchewan has stated that the affected area will be over 2 million acres of land, and that between 12,000 and 15,000 people will be affected. In addition there is considerable property damage. Some of the estimates in connection with the flood damage are that as many as 30,000 to 40,000 farmers will be affected, and that between 50 and 80 per cent of the farm land will not be put into crop this year in Saskatchewan.

We have endeavoured to get the Prime Minister to do exactly what he and this government have done on previous occasions, namely to call this situation a national emergency and have the federal government co-operate with the provinces affected in doing a job of reclamation and trying to correct some of the damage which has taken place. I feel that this incident probably points out, as never before in the history of Canada, that we need something done in this connection. I am going to suggest today that what we need in Canada is a national drainage and dike authority, planned on the basis of the Tennessee valley authority, because I am convinced that this problem is going to recur across the country. This is not an isolated case. It is not a case which we can be sure is not going to recur.

In the province of Saskatchewan from whence I come we have, in the past few years, been experiencing more and more precipitation. There are tens of thousands of acres of our best farm land where the water table has been coming up and there is no proper drainage. We need a drainage system, not merely on a provincial basis but on a national basis, working with provincial authorities. I am suggesting that under a national authority a complete survey would be made to correct our drainage and diking problems.

Our present position in Saskatchewan is not something that can be solved by provincial expenditure alone or by any provincial survey, without taking into consideration the general picture in the western provinces. Some of the water that is draining into the province of Saskatchewan comes from the drainage basin of the Rocky mountains and passes through parts of our province into Manitoba. The terrific flood damage we are experiencing in Saskatchewan today is something which can well be declared a national emergency.

In this connection, before I proceed I want to indicate to the house that we in Saskatchewan are not asking something special for our province, but only something which has been done on previous occasions. Every member of the house will recollect that after the Fraser valley flood disaster in 1948 the federal government came into the picture and used federal funds in order to assist the provincial authorities to correct some of the damage. At that time there was an expenditure of provincial and federal moneys to the extent of $11,440,000. The federal government came into the picture and, under the arrangement it made, paid up to 75 per cent; the province came in and paid the other 25 per cent on some of the projects. Altogether as I stated, over $11 million was spent following that flood disaster.

Then of course, we had the greater Winnipeg flood, and set up the diking board with a total expenditure between the federal and provincial governments of $4,559,000. The federal government paid $3,419,000; the government of Manitoba, $1,139,000.

We have those two flood situations, and we have the other instances which were declared national emergencies in the Rimouski and Cabano fires. In addition we had "Hurricane Hazel" and "Hurricane Edna", where again federal funds were made available and federal authorities worked with the provinces in order to correct some of the damage and pay the losses. That is the way it should be in Canada. We are not isolated provinces;

we are a family of provinces working as a dominion. When one province suffers a catastrophe it is only right and proper that the federal government should step in and take some responsibility.

In connection with the Saskatchewan situation, we now have in my own constituency a lake 10 miles long and three or four miles wide which was not there two weeks ago. That is a condition which is going to put hundreds of farmers throughout that area in the position that they will not be able to put in their crop this year. It has been suggested by members of this group that some sort of program should be undertaken to alleviate the situation.

These farmers are not going to be able to put in a crop, and they are not going to be able to pay their taxes. In the last few years the municipalities have been in a very bad financial situation resulting from the farmers not being able to pay taxes, because of the increased precipitation over the province. I have had reports from all over the province which have indicated that highways were inundated, bridges were out, telephone lines and other communications and power lines were destroyed, and in Qu'Appelle valley many cottages have been taken away with the flood.

I believe my appeal is on a fair basis, that the federal government take some responsibility in this situation and assist the municipalities and the province to correct this damage. I might say I do not feel that in the past we have had any authority in Canada adequate to meet such situations as we find existing at times in this country. I feel that the time has come for proper utilization of our land and for proper conservation and that we should have, as I indicated at the beginning of my speech, a joint national drainage and diking authority. This should be permanent and take into consideration in its surveys and work projects the watersheds throughout the Dominion of Canada and do the necessary diking, so we may utilize our farm land and make it possible to sow our crops year by year.

During the last by-election, when we were happy to re-elect the hon. member for Selkirk (Mr. Bryce), I had occasion to be up in the interlake country, which again is very badly flooded. Many farmers in those areas will not be able to put in a crop this year. There is a situation which is isolated from the flood condition due to the storm in Saskatchewan. Nevertheless these are problems that are all tied together, and can be solved only by the co-operation of the provinces and the dominion government.

[Mr. McCullough (Moose Mountain).]

In the interlake country we have lake Winnipeg, lake Winnipegosis and lake Manitoba becoming higher and higher and flooding much of the valuable land in that district lying between those lakes. It is my feeling, Mr. Speaker—and I say this without any fear of contradiction—that if this problem were tackled through a proper drainage authority, and if a program were instituted by means of which, throughout Alberta, Manitoba and perhaps British Columbia that country and that watershed were properly drained to the appropriate bodies of water so we could utilize our land, we would not have these recurring flood damages.

If this government would see the problem and take the necessary initiative, I believe that, together with the provinces, they could work out an authority which could undertake this project. In Manitoba, if proper drainage and dredging were done on the Nelson river, as an example, and proper water control put into effect there, I believe that river would perhaps serve to lower the level of the lakes in Manitoba, such as lake Winnipeg and lake Winnipegosis, so we would have proper control and conservation in that area.

I am therefore going to plead with the government and with the Prime Minister. When he meets with the authorities from the provinces—and he has indicated that the meeting will take place on Monday—whether the damage is $50 million as has been estimated by some authorities in Saskatchewan, or whether it is double that amount, I hope the federal government will see fit to co-operate with our provinces so that not only in the province of Saskatchewan but throughout all of Canada we shall have a program to meet these recurring needs of our people.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

The house divided on the amendment (Mr. Macdonnell) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss	Dinsdale
Argue	Drew
Balcer	Dufresne
Barnett	Ellis
Bennett, Miss	Fairclough, Mrs.
Blackmore	Ferguson
Brooks	Fulton
Bryce	Gillis
Bryson	Green
Cameron (Nanaimo)	Hahn
Campbell	Hamilton (Notre Dame de Grace)
Castleden	Hamilton (York West)
Charlton	Hansell
Churchill	Harkness
Coldwell	

Hees	Nicholson
Howe (Wellington-Huron)	Noseworthy
Johnston (Bow River)	Pallett
Jones	Patterson
Knight	Pearkes
Knowles	Perron
Leboe	Quelch
Lennard	Regier
Low	Rowe
Macdonnell	Small
McBain	Stanton
McCullough (Moose Mountain)	Starr
McGregor	Stewart (Winnipeg North)
McLeod	Thomas
Michener	Trainor
Monteith	Winch
Montgomery	Wylie
Nesbitt	Yuill
	Zaplitny—66.

NAYS

Messrs:

Anderson	James
Applewhaite	Jutras
Arsenault	Kickham
Ashbourne	Kirk (Antigonish-Guysborough)
Batten	Kirk (Shelburne-Yarmouth-Clare)
Beaudry	Lafontaine
Benidickson	Langlois (Berthier-Maskinonge-Delanaudiere)
Bennett	Langlois (Gaspe)
Blanchette	Lapointe
Boisvert	Leduc (Gatineau)
Bonnier	Leduc (Jacques Cartier-Lasalle)
Bourque	Leduc (Verdun)
Breton	Lefrançois
Brisson	Lesage
Brown (Brantford)	MacDougall
Brown (Essex West)	MacEachen
Bruneau	MacKenzie
Buchanan	McCann
Byrne	McCulloch (Pictou)
Cannon	McIlraith
Cardin	McIvor
Carrick	McMillan
Cavers	McWilliam
Cloutier	Maltais
Croll	Mang
Decore	Marler
Denis	Masse
Deschatelets	Matheson
Deslieres	Meunier
Dickey	Michaud
Dumas	Picard
Enfield	Pickersgill
Eudes	Pinard
Fairey	Pommer
Follwell	Poulin
Fontaine	Pouliot
Forgie	Power (Quebec South)
Fraser (St. John's East)	Power (St. John's West)
Gagnon	Prudham
Gardiner	Ratelle
Garson	Reinke
Gauthier (Lake St. John)	Richard (Ottawa East)
Gauthier (Portneuf)	Roberge
Girard	Robinson (Simcoe East)
Goode	Ross
Gourd (Chapleau)	Rouleau
Habel	St. Laurent
Hardie	Schneider
Harris	Shipley, Mrs.
Harrison	Simmons
Healy	Sinclair
Henry	Stick
Hollingworth	Stuart (Charlotte)
Hosking	Studer
Houck	Thatcher
Huffman	Thibault
Hunter	Tucker
	Valois
	Villeneuve
	Vincent
	Weaver
	Weselak
	White (Waterloo South)
	Winters—121.

Mr. Herridge: Mr. Speaker, the hon. member for Vancouver South (Mr. Philpott) was unexpectedly called away. On that account I paired with him. Had I voted, I would have voted for the amendment.

Mr. Speaker: Is it the pleasure of the house to adopt the main motion?

Mr. Rowe: On division.

Main motion (Mr. Harris) agreed to.

WAYS AND MEANS

The house in committee of ways and means, Mr. Robinson (Simcoe East) in the chair.

Mr. Harris: Mr. Chairman, I move that the committee rise and report progress, so that we may go on with the resolution we indicated the other evening.

Progress reported.

RAILWAYS

AGREEMENT RESPECTING TRACKS IN TORONTO HARBOUR AREA

The house in committee on Bill No. 262, to approve an agreement between the Toronto harbour commissioners, the Toronto Terminals Railway Company, Canadian National Railway Company and Canadian Pacific Railway Company—Mr. Marler—Mr. Robinson (Simcoe East) in the chair.

Clause 1 agreed to.

Schedule agreed to.

Schedule A agreed to.

Bill reported, read the third time and passed.

VETERANS BENEFIT ACT

CERTAIN BENEFITS CONTINUED TO PERSONS JOINING REGULAR FORCES BEFORE JULY 1, 1955

Hon. Hugues Lapointe (Minister of Veterans Affairs) moved that the house go into committee to consider Bill No. 278, to amend the Veterans Benefit Act, 1954.

Mr. Pearkes: Is the minister going to make a statement on this bill?

Mr. Lapointe: The statement has been made. This bill was referred to the veterans

affairs committee and was approved without amendment, and reported to the house.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Limitation.*

Mr. Gillis: Mr. Chairman, I have some comments to make on this bill. The minister is quite correct when he says it was before the veterans affairs committee and was approved without amendment. However, I would call to the minister's attention the fact that this bill provides that any person joining the regular services with the intention of making the army, the navy or the air force his vocation in the future will be denied any of the rights contained in the several bills that set out certain benefits for the special force. Anyone entering the regular forces after July 1955 will no longer be eligible for any of these benefits; and particular emphasis is placed on the question of unemployment insurance.

All service personnel, up to July 1 of this year, are entitled to unemployment insurance if and when they leave the service. When this bill was before the veterans affairs committee the secretary of the Canadian Legion proposed that the bill should be amended to provide that in future members of the services should be considered on the same basis as those employed in industry; and if because of any unforeseen circumstances they did not continue in the services the length of time they had intended, they should be brought under the Unemployment Insurance Act in the way members of the special force are at this time. The exception was made that they should be brought in on a contributory basis, exactly the same as other employees in industry who come under the Unemployment Insurance Act.

At that time the committee did not wish to suggest any amendments for the simple reason that at least I felt that before bringing the regular forces under a contributory basis a study should be made to see whether the service personnel wanted to come in on that basis or not. However, there are arguments both ways. I merely wanted to say that our committee will recommend when the report is completed that the Department of National Defence and the Department of Labour, which have to do with the problem, should at least make an interdepartmental study of the matter to see first whether the service personnel want it on a contributory basis, and second whether it is feasible and practical to do the thing in the way suggested by the secretary of the Legion.

[Mr. Lapointe.]

I know that the parliamentary assistant to the minister has that in mind. I hope that both he and the minister will continue to carry out what we have in our minds and what the Legion recommended, and what our report will recommend when it is completed. I merely wanted to put that on the record so that we would not forget it.

Mr. Brooks: Mr. Chairman, I think the hon. member for Cape Breton South has very well expressed what the attitude of the committee was with reference to this bill. The bill has to do with the special force that served in Korea. Since most of these men have been discharged from the force or are back home, it was thought by the committee that it was not necessary for the situation regarding them to be as it has been.

As the hon. member for Cape Breton South said, we did hear representations from the Canadian Legion. I hold in my hand the recommendation of the Canadian Legion, and it might be well to place it on *Hansard*. The recommendation made by the Legion is as follows:

> That the Department of National Defence make provision for members of the armed forces to contribute to unemployment insurance so that they may benefit from the Unemployment Insurance Act in the same manner as do industrial employees.

You will note, Mr. Chairman, that the recommendation was that the Department of National Defence make provision, not the Department of Veterans Affairs. The recommendation was considered by the committee and was unanimously agreed to in that regard, that the bill as presented by the Department of Veterans Affairs be passed and that, as has been stated, the recommendation be put in our report that the Legion's suggestion be carried out.

I might say that I had already recommended that in the House of Commons when the bill was up for second reading. When we were in committee I was very pleased indeed to learn that the Legion thought along the same lines as I did. The situation has certainly changed, but as the Legion pointed out, many young men will be discharged from the army for various reasons before their time of service is up. Those who are taken on strength up to July 1 of this year will be in an entirely different position from those who are taken in after July 1. As I pointed out before, we shall have two types of men in the army, namely, those who, when they are discharged from the army, will have the benefit of the Unemployment Insurance Act, and those who will not have the benefit of the Unemployment Insurance Act.

In addition to that, a great many young men are leaving insurable employment and are going into the army. When these young men leave the army they will not have the advantage of the Unemployment Insurance Act.

Like the hon. member who has already spoken, I do hope that this matter will be given very serious consideration. Frankly, I think there is a great deal of merit in the recommendation of the Canadian Legion. When the hon. member for Hamilton West spoke on the unemployment bill the other day she also mentioned this matter of the soldier. Her suggestion was that the matter should be given careful consideration.

As far as the bill itself is concerned, Mr. Chairman, we are in entire agreement with its contents.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

GOVERNMENT EMPLOYEES COMPENSATION ACT

EXTENSION OF BENEFITS AND CHANGES IN ADMINISTRATION

The house in committee on Bill No. 188, to amend the Government Employees Compensation Act—Mr. Gregg—Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Compensation.*

Mrs. Fairclough: Mr. Chairman, the Minister of Labour is not here this afternoon. Members of the committee were given a copy of one amendment which it was intended to put into effect and which, I might say, received the approval of the committee. However, there was another amendment. One of the clauses was supposed to be rewritten, and we have not yet had any notification of that. We have no copy of it; we do not know what is now proposed. Although it is a minor matter, it is a matter of making the clause more intelligible. I do not believe we should be asked to approve this bill until we have seen just what amendments the government proposes to make to it.

Mr. Harris: I was under the impression that the amendment had been prepared and made available. If that is not so, I agree with the hon. member.

The Chairman: Order. Apparently there is a substantial amendment to a later clause in the bill. Would it be agreeable to proceed until we reach that clause?

Mrs. Fairclough: Is that clause 2, Mr. Chairman?

The Chairman: Order. I see a minor amendment to clause 2. It appears to be merely the insertion of a comma.

Mrs. Fairclough: No. That was the first amendment that was proposed by the committee. Subsequently, the minister agreed that the whole wording of the clause was most confusing, and agreed to send it back to the Department of Justice for rewording. In view of the confusion that exists, we should report progress until such time as we can find out just exactly what has taken place.

Mr. Harris: I do not think there is any confusion. Perhaps we can carry clause 1, to which I take it there is no objection, then we shall rise and ask leave to sit again.

Mr. Churchill: It would appear to me that the bill would have to be reprinted in order to put before hon. members the amendments that were discussed during the course of the committee meeting. One amendment dealing particularly with clause 3 was rather involved. Until such time as we see it before us, I do not see much purpose in going ahead with this.

Mr. Harris: Agreed.

Mr. Churchill: Further than that, we were to have an explanation of one or two phrases contained in the bill which if not interpreted in the form in which we anticipated would affect other sections of the bill. I think it would be fair to let the bill stand until we have full information.

Mr. Harris: Stand.

Clause stands.

Progress reported.

PRECIOUS METALS MARKING ACT

AMENDMENTS RESPECTING TRADE MARKS, QUALITY MARKS, ETC.

The house resumed, from Monday, April 25, consideration of the motion of Mr. Winters (for Mr. Howe, Port Arthur) for the second reading of Bill No. 306, to amend the Precious Metals Marking Act.

Mr. J. H. Dickey (Parliamentary Assistant to the Minister of Defence Production): Mr. Speaker, the Precious Metals Marking Act deals with articles of gold, silver, platinum and palladium, and in addition with articles plated with either gold or silver. Under the Precious Metals Marking Act it is not mandatory that articles of or plated with precious metals be marked as to their content of precious metal. However, the act does provide that, where reference is

made to the precious metal content, that content must be shown in a particular manner. For example, a gold ring or a ring containing gold may be sold as a plain ring, but if reference is made to its gold content that gold content must be indicated. If it is represented as being of carat quality, say 10 carat, then it must be 10/24ths gold by weight. In addition, where such quality mark, that is the precious metal content, is placed on an article, the article must also carry a registered trade mark or a trade mark for which application for registration has been made.

The present bill provides for two amendments to the act. The first deals with the method of applying quality marks to gold filled or rolled gold plate bracelets or, as they are sometimes called, wrist watches which have base metal parts. The difference between gold filled and rolled gold plate lies mainly in the thickness of the gold or the other precious metal covering it. In the former, that is in the gold filled, it is 3/1000ths of an inch, and in the latter, that is rolled gold plate, it is 1½/1000ths of an inch of gold which is of at least 10 carat quality.

Under the act as it stands, when all parts of a bracelet watch case have a gold content the quality mark and the trade mark can be applied to any part of the watch, but it is usually applied in the most convenient location, which is the back. Where some parts of the case are plated or filled and others are of base metal the quality marking under the present act must be applied to those parts which are plated and the words "base metal" must be applied to those which are base metal. With the present size of the bracelet or wrist watches, particularly ladies' watches, it is difficult to place marks on the plated parts without damage, and in addition if they are put on they are often so small as to be unreadable. As a result, few wrist watches today carry any quality marks, and any quality declaration governing them is usually shown on a tag attached to the watch.

To provide informative marking on a watch itself, it is proposed in this amendment that the manufacturer be permitted to indicate on the outer side of the base metal back the quality mark of the other parts of the watch with an indication of which parts are base metal. No change is necessary where all the parts are gold plated or gold filled. This is an additional method of marking and it has the approval of the Canadian Jewellers' Association.

The second amendment is of a technical nature and results from the necessity under the existing act of applying to precious metal articles a registered trade mark or one for which application has been made under the Unfair Competition Act. The Trade Marks Act proclaimed on July 1, 1954, repealed the Unfair Competition Act. The new Trade Marks Act provided that registrations under the Unfair Competition Act are retained as such and applications for registration still pending under the old act are to be dealt with under that act.

However, apparently there is nothing in the new Trade Marks Act to provide that the trade mark or application made under the old act, that is the Unfair Competition Act, shall be deemed to have been made under the new act, which is the Trade Marks Act. It is the view of the law officers of the crown that the Precious Metals Marking Act should be amended to refer to trade marks as having been registered and to applications for trade mark as having been made under either act. That is the sole purpose of the technical amendment.

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, while we approve of and appreciate the steps which are now being taken to have articles made from precious metals more clearly defined, and while we approve also of the second amendment which is of a technical nature, I feel that a great opportunity has been missed by the government to introduce a Canadian hallmark. For centuries British and French gold and silver articles have had placed upon them a hallmark, but Canada has never adopted this practice.

A hallmark is really nothing more than a stamp placed on an article by some legally appointed officer after a test of that particular article has been made. It is usually referred to as a hallmark. Centuries ago the manufacturers of articles made from gold and silver—gold and silversmiths—used to take these articles to the hall of the guild of the goldsmiths—Goldsmith Hall as it is called—in London. There the test was made and the "touch" was given—that is the term which was then applied—by the appointed officers, who were at first the guild of goldsmiths and afterwards the worshipful company of goldsmiths. They placed their mark attesting to the quality of the metal in the particular article.

The hallmark of Great Britain and the hallmark of France have been of unquestionable integrity for many centuries, guaranteeing the quality of the particular article. One can find, if one looks back into history—and there have been a number of excellent books written on this question—that the guild of goldsmiths was first recognized in Europe in the twelfth century, and that as far back as 1300, in the reign

of Edward I, the question of the quantity and test of gold was laid down in accordance with an old statute which defines the "touch of Paris". The "touch of Paris" laid down that gold had to have 19⅓ portions as applied to 4⅔ of the alloy then used, which was an alloy of copper and silver, in order to make the gold firmer.

Following that, in 1327, the charter was given to the worshipful company of goldsmiths in London and they were given the sole right of placing the mark or touch on British gold and silver. Hence comes the description, the "hallmark", as being, as I have already said, the mark or punch which was placed on these articles when they were literally carried to the hall of the goldsmiths. In 1363 in the reign of Edward III, in addition to the mark which was given by the goldsmiths company, a mark was placed on these articles showing the maker's name. All through those centuries, right from the twelfth century, there has been this definite stamp or hallmark placed on articles made from these precious metals.

The modern hallmark consists of four ciphers. Usually each cipher is enclosed in a small shield. The first is known as the maker's mark, which really is the mark of the maker. That mark is registered at the goldsmiths company or at the local assay office. It shows the maker of that particular article. The second is the hall or assay mark which shows the town or assay office which has tested the quality of the metal used in that article. It identifies the office at which the assaying was done and fixes the person responsible for the tests guaranteeing the quality of the metal used. The third imprint is the quality mark which shows in the case of gold whether it is 22, 18 or 14 carat, or whatever it may be. It shows the quantity of gold in relation to the alloys which may have been used. In the case of silver it shows perhaps that it is sterling silver, which indicates the amount of actual silver which is used in each troy pound. Sterling silver, I believe, is 11 ounces 10 pennyweight to each pound troy. Then there is the date mark. The date marks are of a complicated nature, working in cycles and in most cases using the letters of the alphabet. These date marks are of immense value to collectors of old silver and dealers in antiques. A dealer can tell at once whether a piece of old silver is Jacobean or Georgian silver, and he can tell by looking at the hallmark the date on which the article was manufactured, where it was manufactured, the actual quality which has been used, and the name of the maker of the article can be traced.

Precious Metals Marking Act

We have in Canada no legal hallmark. When the French goldsmiths and silversmiths first came to Canada they brought with them the habit of stamping their silver. I quote from a work entitled "The Old Silver of Quebec" by Traquair:

> The French silversmiths who came to Canada brought with them the habit of stamping their work with their mark. This was a personal guarantee that the silver was of standard quality, but as there was no guild or assay office in Canada, they could not obtain the warden's mint or tax marks. They either used a personal mark, or left their work unmarked.
>
> The English silversmiths who came into the province also continued to use their personal marks, but to these they sometimes added pseudo English marks.
>
> During the French regime, the silversmiths of Quebec used marks of French provincial types—initials surrounded by a crown or a fleur-de-lis, and sometimes with a small badge. Any piece bearing a maker's mark of this kind, with no other marks, and which is of French character, is possibly the work of a French-Canadian silversmith.

As regards the practice followed by the English silversmiths in the province of Nova Scotia, I should like to quote from the work by Harry Piers and Donald Mackay entitled "Master Goldsmiths and Silversmiths of Nova Scotia":

> We must remember that there have never been in Nova Scotia any legal "hallmarks", or doubtless in Canada generally. In the British Isles there have been strict laws regarding the marking of gold and silver, which had to be of a certain degree of purity, and which had to pay duty, before it could be sold. For this purpose assay offices were therefore established in various towns; each of these offices stamped with its neatly-cut dies, what were known as "hallmarks", or "plate marks" . . .
>
> In Nova Scotia, on the contrary, we have never had any such statutory regulations; and silversmiths, when they began to operate here, assumed the practice, but without legal authority, of themselves, stamping on their productions, certain pseudo hallmarks which intentionally (more or less), resembled those of the Old Country.

If you examine the articles which are produced by certain Canadian manufacturers today, you will find that imitation hallmarks are placed on the article sold by such well known firms as Henry Birks where they are using a system similar to the recognized system in Great Britain and are stamping their articles so that the articles sold by Henry Birks can be identified, particularly as to the year in which those articles were manufactured. I feel that it would be a great help to the legitimate dealers in articles made from precious metals, and to the goldsmiths and the silversmiths of this country, if Canada adopted an official hallmark. To look far into the future, when undoubtedly there will be collectors of old silver, it would be a great help to the collectors of old Canadian silver if they could identify the year in which the particular articles were manufactured.

In my constituency there are quite a number of dealers in antique silver and other articles of that nature. I have had representations made to me as recently as during the Easter recess—before I knew that this bill was coming before the house at all—asking that some steps be taken to get the government to give consideration to the establishment of a Canadian hallmark as it would give them or their successors in the future an opportunity of comparing the Canadian article, and of identifying the year in which it was made; that hallmark to be along the same lines as the established rules which are now recognized by every dealer and collector of old silver as far as the hallmarking of British articles and French articles is concerned.

While I do not imagine it would be possible for the government to consider an amendment at this time, I repeat that I think the government has lost an opportunity by not bringing in an official Canadian hallmark. I suggest to the parliamentary assistant to the Minister of Defence Production that consideration be given thereto at some future time and that —preferably at the next session of parliament—a bill be introduced to establish what may be described as a Canadian hallmark showing that every article has been tested at some assay office so that the real value of that article, plus the date and manufacturer's name, can be easily established.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1—*Article with quality mark also to have trade mark.*

Mr. Pearkes: May I ask whether consideration has been given to the introduction of a Canadian hallmark—or what difficulties there may be in the way of so doing—so that we could get a clearer definition of these articles?

Mr. Dickey: I am sure the committee appreciates the remarks made earlier by the hon. member in connection with the question of a Canadian hallmark. As he so properly pointed out, the established hallmarks of England and France are of ancient origin and have been extremely useful in the commercial world of precious metals and of ornamental and useful objects made of precious metals. Actually this particular amending bill deals with a type of article that would not really come within the purview of a hallmark. I am not able to indicate to the committee what if any consideration has been given to the question that has been raised. I know, on occasions in the past, there have been representations with respect to the advisability or not of trying to establish a Canadian hallmark. However, I will assure the hon. member that his remarks in the debate this afternoon will be brought to the attention of the minister and the officials and that the matter will receive consideration.

Clause agreed to.

Clauses 2, 3 and 4 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Applewhaite): When shall the bill be read a third time?

Mr. Harris: Now.

Mr. Knowles: By leave.

Hon. W. E. Harris (for the Minister of Trade and Commerce) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

MUNICIPAL GRANTS ACT

EXTENSION OF BENEFITS—CHANGES IN ADMINISTRATION

Hon. W. E. Harris (Minister of Finance) moved the second reading of Bill No. 258, to amend the Municipal Grants Act.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I understand that it is proposed to have this bill go to a committee. In that event there will be no opportunity to make any comments on it except when the Speaker is in the chair. As I should like to make a few comments, I suppose I should make them now.

The thing that strikes me about this bill, Mr. Speaker, is that it is really, as one might say, on the fringe of a substantial problem. It does not pretend to deal with the problem. Indeed, in a way this bill is a rather ridiculous affair, in my opinion, because it is cheese-paring; its effect is trivial and yet it is in the right direction. I want to make one or two comments on the bill, on the way it has been dealt with and also on the rather broader municipal problem.

As I say, it is small. The amounts involved, having regard to our total tax situation, are trivial. I think the expected addition this year is something less than $2 million, bringing up to approximately $6 million the benefits to accrue under the legislation whereas the total real estate taxes collected by our municipalities last year were some $614 million. As I say, it is trivial in the extreme. Actually one would feel that is the way it is regarded because it has

been dealt with in a rather haphazard, helter-skelter manner by the government. In the speech from the throne we read:

> A joint committee of both houses will be proposed to examine, in the light of the Municipal Grants Act and possible amendments thereto, the financial and other relationships of the government and the federal district commission with the city of Ottawa and neighbouring municipalities.

In answer to a question on that point from the hon. member for Rosetown-Biggar (Mr. Coldwell), the Prime Minister (Mr. St. Laurent) said on May 6 last, as found at page 3515 of *Hansard*:

> It is now the feeling of the government that there are so many committees in operation at this time considering matters of great importance that it would not be possible at this stage of the session to have a committee on the scale originally contemplated—

Perhaps partly because of the conference that is to take place in October this bill, in the contemplation of the government, seems to have shrunken greatly in importance. To continue with what the Prime Minister said:

> —that the municipal grants bill now before the house might therefore be referred to the banking and commerce committee as soon as second reading has been completed; and that there might be an opportunity before the close of the session to establish the joint committee with a view to laying the foundation for a wider examination of the work of the federal district commission at the next session.

The federal district commission will have to look after itself, but whether that is satisfactory to them they are best able to indicate. In any event, it seems to me to fall in with the impression I have received that the municipal grants bill is now regarded as mighty small potatoes, as indeed it is. Indeed, the actual amount involved is so small one might almost suggest having a tag day to get the money. It has become so trivial.

The other thing I do object to is that it is a kind of hairsplitting. The government refuses to do what I think is its plain duty, namely, to pay its taxes, and relies on ancient privileges going back, I suppose, to the days of the kings and even disregards the admonition of the Winnipeg *Free Press*, which suggests they might abandon this privilege altogether.

Having said that as to what I regard as the trivial and rather unworthy character of the bill, I want to ask you, Mr. Speaker, to consider for a moment what the dimensions of the municipal problem really are. I read now from the *Globe and Mail* of April 25 a report of a meeting of the Ontario municipalities represented by the association of mayors and reeves, which report has this to say:

> The municipalities contend they are facing a financial crisis because they have been carrying the burden for matters they feel should be the responsibility of other levels of government. The Ontario organization claims that approximately 10 per cent of expenditure by Ontario municipalities are for services that should not be their responsibility. If the municipal position were to be recognized it would relieve the communities of $33 million in costs for health and social welfare payments.

I wish the Minister of National Health and Welfare (Mr. Martin) were here to find out that there is actually somebody else who considers they have burdens to bear in this connection. Next I wish to read a report from the *Globe and Mail* of April 23 datelined Quebec and quoting a statement made by the premier of Quebec, Mr. Duplessis. It reads:

> For the agenda-fixing which is expected to be the main work of next week's meeting, he indicated he will urge inclusion of two main topics. First by far is the problem of fiscal relationships between the federal and provincial governments. Second is the general problem of municipal finances, and what the Quebec government regards as the necessity of providing municipal corporations with more sources of taxation revenue.

I want to stress that. I might also refer in passing to an interesting remark made by the premier of Manitoba who suggested that the municipalities should actually be present at the October conference. I confess I see difficulties in that, but at any rate it is worth mentioning because it shows that in his mind the problem is a very important one and one in which the position of the municipalities should certainly not be disregarded. I should like to quote very briefly from the submission to the government by the Canadian Federation of Mayors and Municipalities just because I think it would be worth having a short statement on the record. It reviews the principle that crown property should pay taxes and it has this to say:

> . . . rigid adherence to the principle that crown property cannot be taxed had a threefold implication: 1. It meant that municipal governments had to provide services to properties from which no revenue could be extracted.
>
> 2. It meant that the extent to which such property did not contribute to the cost of municipal services resulted in a narrowing of the base for municipal property taxation.
>
> 3. It produced a situation wherein the municipal taxpayers in those municipalities where there was considerable concentration of crown property and not the citizens of Canada as a whole, were required to pay the cost of municipal services rendered to such property.

Then there is this further word at page 21a of the report:

> Consequently, the federation strongly recommends that the federal government consider, when the present qualifying formula is being revised, the provision of payment of grants in lieu of full municipal taxation on all federal crown property located within the boundaries of an incorporated municipality.

I do indeed urge the government to stop this hairsplitting and to deal with this matter

properly, although it will only be a comparatively small contribution to the larger problem. But why, when these municipalities admittedly are already in difficulty, are they to be denied what I think any fair-minded man would say was a reasonable thing, namely, the payment of their taxes? To suggest that the federal government should not pay full taxes on their properties because they confer benefits on the municipality is an argument that could be made with respect to any private enterprise in a municipality. It likes to be there, it is there for its own reasons, but nevertheless it pays its way.

As I say, when you come down to the facts, we are now dealing with $2 million which is about one two-thousandth of our total expenditure and the matter becomes very small indeed. So far as any argument about *ex gratia* is concerned, if the legalists want to cling to that position let them at least pay the amount they should pay in taxes if they want to go on saying that it is still *ex gratia*.

I want to point out in passing the extraordinary relative lowering of the position of the municipalities in the last few years by reminding the house that in 1930 the dominion had 38 per cent of all taxes raised and the municipalities 39 per cent whereas in 1948 the dominion had 67 per cent and the municipalities 12 per cent. We on this side of the house have been attempting to assist the situation. We have been saying for a long time that the conference which is now about to take place should take place, and I want to refer to one or two things in that connection. In 1952 our amendment to the speech from the throne included the following:

> (d) To conduct inquiries in consultation with the provincial governments, so that necessary information may be available for the dominion and provincial governments to consider jointly a national health insurance program;
>
> (e) To reach agreement with the provincial governments in regard to a clearly defined reallocation of taxing powers so that the provincial governments and municipal councils may have adequate financial resources to carry out their rapidly increasing responsibilities.

Later, although I shall not set it out in detail, we moved several times with regard to the reduction of sales and excise taxes on the municipalities, and although something was done it was not nearly enough. As I have already indicated, the municipalities are keen that that should be carried further.

I would like to say a word about the forthcoming dominion-provincial meeting. There is no question that the position of the municipalities grows increasingly serious. They are called upon to assume burdens which previously they had not assumed. As I pointed out, their share of the taxes raised is merely a fraction of what it used to be. And so, as we approach the conference called for October, we have to hope and believe that a broad view will be taken so that the municipalities may be given a liveable position, where they can discharge their duties properly, and where they do not have to go back constantly to the higher levels of government for what are regarded by those levels of government as virtual handouts.

The provinces have assisted generously in certain cases. The richer provinces have been able to do more along this line. We know that the province of Ontario has given a great deal to the municipalities. But on the other hand there are provinces which do not find that quite so easy; and it is going to call for a very statesmanlike view to deal with this matter in October.

After all, these mayors of municipalities who meet together are responsible people. Perhaps they are much closer to government and its realities than some other people are. I do suggest they should be treated seriously, and their needs seriously dealt with.

I do not think I shall take more of the time of the house. The bill will go to committee, and we shall there deal with the clauses which are amended, and do our best to make what we can of it. But, as I said at the outset, this is only tinkering with a situation which has got far beyond the tinkering stage; and we must all look with hope and expectation to a real grappling with the problem in October.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am sure no one will vote against this bill. It makes a slight improvement in the formula under which grants are paid to municipalities in lieu of taxes. Even in this place we are grateful for small mercies.

When we get into committee on the bill there are some details concerning which questions will be asked. But even at this point I wish to state that we agree with the hon. member for Greenwood (Mr. Macdonnell) that this legislation is hardly a sufficient attack on the problems faced by the municipalities of this country. We all know of the excuses that are put forward as to why more consideration of the position of the municipalities cannot be given by the federal government. On some occasions it is pointed out that the municipalities are the creatures of the provinces and that, therefore, there cannot be direct dealings between the federal government and the municipalities. There is also the claim that the ancient right of the crown not to be taxed puts the federal government in a favoured position from which it can move only if it wishes to do so.

But, Mr. Speaker, surely the time has come when we should recognize the financial problem of our Canadian municipalities, both urban and rural, as a Canadian problem. Anything that is of concern to the people of this country as Canadians should be the concern of the federal government and the federal parliament. This legislation was a long time in coming, and it has taken still longer to get it improved, but I hope this legislation is an admission that here is a field which should be the proper concern of the federal government.

There are ways in which greater assistance could be rendered to the municipalities. This formula could be enlarged still further. There are other tax arrangements that could be made—for instance in the sales tax field—which could be of assistance to the municipalities.

Then, as has been pointed out many times, there is also the possibility of real assistance to the municipalities being made available by the federal government through the building of roads, highways and bridges. There is also the very important question, still unresolved, of federal aid to education. There is the further fact that real aid could be given to our municipalities and provinces under the general heading of health and welfare services.

Surely we all know—we have all said it in speeches throughout the country—that conditions in Canada have changed greatly since 1867. Our economy has changed. The whole base upon which our life is sustained today is totally different from what it was under the economic conditions of 1867; and it is no longer sensible or just to expect that the kind of services which, by the British North America Act of 1867, were made charges upon real estate taxation, can be carried by that same kind of taxation today. The problem of our municipalities is, I say, a Canadian problem that has to be faced; and I hope the government will give very serious consideration to it, and will realize that it has to go a great deal farther than is envisaged in this legislation.

It is significant that in the discussions which took place a couple of weeks ago in the railway committee room a number of those representing provincial governments dealt with this problem. In some instances municipal officials were in the delegations. I hope this means that at the federal-provincial conference this fall there will be a real examination of this important problem. After all, we should not get into the situation where the federal government, the provincial governments and the municipal governments are treating each other as though they were foreign powers. Rather, these are various spheres, various media, through which we try to organize our economy and our society for the good and welfare, for the health and well-being, and for the best possible standard of living for all our people.

I feel we should not allow these constitutional and procedural barriers to stand in the way of progress toward something better. Let us remember the important part of our Canadian life, the important part of our economy, which comes within the bounds of our various municipalities. We welcome this slight improvement; but it only scratches the surface of a very important problem to which we feel this federal government and the provincial governments in this country should address themselves more vigorously than has yet been the case.

Mr. Roland Michener (St. Paul's): Mr. Speaker, I am sure the proposed amendments commend themselves to the house as representing an improvement. My suggestion is that they might go farther. This problem is one aspect of a federal system. We are all familiar with it. In Canada we have three ranges of government, in fact, although only two ranges are sovereign governments. The federal government and the provincial governments are sovereign governments in their taxing powers under the British North America Act. As everyone knows, the municipalities are creatures of the provincial governments; but nevertheless they are forms of government, and very important forms of governments on the local level where they can be and are most effective, as has been recognized in this house in many pieces of legislation.

The larger problem of relationships of the federal government and the provinces is to be dealt with at a conference and I do not propose to discuss those larger problems, although they involve the municipalities very considerably because, as has been said, the municipalities now find themselves charged with greater responsibilities without corresponding means of providing the revenues with which to meet those responsibilities. It is to be hoped that this conference will take the position of the municipalities into account in whatever arrangements are made between the federal government and the provinces.

What I suggest here today, Mr. Speaker, is that one specific relationship of the dominion and the municipalities can be improved by this legislation, and that is the relationship of the dominion as a property owner in the municipalities. Let the federal

government accept the responsibility of property ownership as it accepts the benefits of property ownership in the municipalities of Canada. It seems to me that if it goes the full length in accepting its responsibilities, then it is meeting this problem as far as it can be dealt with as a tax problem of the municipalities. This bill does not go that far. It still gives the crown a preferred position as a property owner in the boundaries of every municipality. My suggestion is that in all fairness the crown, where it accepts the benefits of the municipal services which are made available to it, should assume the obligation of a property owner to the full extent.

I am not quarrelling with a reservation that appears in a clause of the bill which says that in assessing the value of crown property the ornamental features are not to be taken into account. I am not sure just what those ornamental features are. Perhaps we shall deal with this more fully when we get into committee. At times, one would be tempted to suggest that the assessment ought to be very substantial on crown property by reason of those ornamental features, because those features sometimes are not ornamental in the view of the citizens of the municipalities in which those properties have been built. However, that basically is I think a fair approach to this problem.

The crown as a property owner should accept the full responsibility of a property owner when it in fact accepts the benefits and privileges of ownership of property. It is a real problem for the municipality to service land which is not taxed. The Canada Year Book gives some interesting figures on the amount of exempt land that exists in the municipalities in the different provinces. It is astonishing how much land is exempt from taxation and from contribution to the services which the occupants of the land enjoy. Most of it is exempt because the exemption serves the purpose of the municipalities. It meets some of the municipal obligations with respect to education and so on to exempt schools and churches and other property from taxation. But the amount of exempt property seems to be on the increase rather than the contrary. In the province of Ontario, which I take as an example, and I quote from a table in the Canada Year Book for 1954 at page 1153, I find that from 1947 to 1951 the total assessable real property rose from $3 billion to $3,800 million, which is quite a substantial rise in four years. During the same period the assessed value of exempt property in Ontario rose from $639 million to $873 million. I cite these figures to indicate the extent of the effect on municipal finance of

real property which does not have to pay real property taxes. In the case of Ontario, the house will see from the figures I have given that the assessed value of exempt property is 20 per cent of the assessed value of all taxable property in the province.

When one recalls that the great bulk of municipal revenue comes from real property taxes, the significance of these exemptions becomes apparent. My point simply is that the crown in the right of the dominion should not claim the exemptions which have been claimed in the past and which will still be claimed to some extent if this bill is passed.

If we take the year 1950, for which figures are available in the Canada Year Book, we shall find that the amount of taxes raised by municipalities in the whole of Canada was $574 million. That includes licences, contributions from public utilities, subsidies and other miscellaneous revenues of that kind. Of that amount the real estate tax was $400 million, which indicates the importance of real estate in municipal finance in meeting the problems of municipal government on its limited level. That $400 million on real estate may be compared with the total tax revenue of $478 million, if one excludes other revenues in the municipalities which are not properly called taxes. Taxes on real property amounted to $400 million out of $478 million in the year 1950.

The figures that I have cited for Ontario would apply to most of the other provinces of the dominion. In fact, it is a fair general statement to say that in all of the provinces of Canada the municipalities rely basically on the right to tax real property, although five of the provinces do exercise the right to tax personal property as well. They are the provinces of Alberta, Manitoba, New Brunswick, Nova Scotia and Prince Edward Island. But basically, real property bears the burden of municipal services. It is real property we are concerned with in this bill, and real property only. I take it that personal property does not enter into it.

If this measure is good in the direction in which it travels, it seems to me it would be good to go the whole way and have the crown assume the full responsibility on property with respect to municipal taxation.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, as this bill is going to a committee I shall make only a few remarks on something that is not in the bill but which I think should be included. This is an old grievance which in fact goes back over the last 55 years. In order that I may finish by six o'clock I intend to read from a letter addressed to me by the city solicitor of Sydney, Nova Scotia, under date of March 24.

I am glad the Minister of Transport (Mr. Marler) is in his seat because this has to do with the Canadian National Railways, a crown corporation. The city solicitor has this to say:

> It seems to me that there is one form of municipal taxation which should be given special attention over and above the grants in lieu of general rates and taxes, viz: frontage tax for local improvements. The city of Sydney has been trying without success to obtain payment of frontage tax for sewer, curb and gutter from the C.N.R. from 1901 to the present time. The answer has always been that this is crown property, exempt from taxation in any form.
>
> The railway's position is probably sound from a legal point of view, but it does seem that an exception should be made in respect to municipal expenditures for local improvements which are of direct benefit to the railway and tends to enhance the use and enjoyment of its properties.

For the benefit of the house and the Minister of Transport I am going to put on the record details of expenditures that have been made:

Sewer Frontage and Curb and Gutter

C.N.R.

Sewer frontage, Dodd st.	Installed	1901	$868.00
" " York st. (Louisa Gardens)	"	1902	422.00
" " Frieght Shed (York st. Walker st.)	"	1902	38.95
Curb and Gutter, Prince St.	"	1931	106.56
" " " " "	"	1931	119.42
Sewer frontage, Intercolonial street	"	1945	90.00
Curb and Gutter, King st.	"	1924	204.00
	"	1930	217.27
			$2,066.20

As the city solicitor points out in his letter, the answer received from the Canadian National Railways every time a tax bill is presented is legally correct because the act previous to these amendments and even with these amendments does not require the Canadian National Railways as a crown corporation to pay taxes of that kind.

The act is being amended and expanded and a new formula arrived at with respect to the payment of grants. I suggest to the minister who is piloting the bill, to the Minister of Transport as representing the Canadian National in the house, and to those hon. members who may be on the committee that consideration be given to a further amendment of subsections 2 and 3 of section 1 of the bill which defines crown property which would be considered in making grants under the bill. I realize that the eligibility for grants runs over into section 5.

If an ordinary citizen in a town or city decides to build a house he must automatically pay for sewers and frontage, and I think this principle should apply also to the Canadian National Railways. This is all I have to say, but I again recommend to those concerned with this bill that they give consideration to including in the bill an amendment which would eliminate this grievance in connection with the Canadian National Railways, and I suppose there are many other cities and towns that could bring forward the same type of grievance. I might add that the city is not asking for interest.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I desire to associate my group with the remarks which have been made by those who have spoken for the other parties. I would be glad to make more extended remarks but I realize the minister is anxious to get this bill to its next stage.

I shall say no more than to point out, as has been pointed out already, that the costs which are being brought to bear today upon municipalities are increasingly burdensome whereas the means of raising revenue to defray those costs is not increasing. This means that the municipalities simply must have more assistance from the senior governments. The provincial governments have not the financial competence to give this assistance, and consequently it means that this assistance must come from the federal treasury.

I know that the minister has so many demands being made upon him that he is at his wit's end to know what to do, but in all seriousness I suggest to him that if he cannot raise the money under the financial system under which he now operates he had better change that system. The ability of this nation to help cities and towns from Newfoundland to British Columbia and away into the Arctic must depend upon the ability of this country to produce goods and services. The capacity of this country to produce goods and services is almost limitless. Consequently for us to be talking about our municipalities being restricted and burdened with costs in an endeavour to develop facilities like schools, sewers and that sort of thing is to be fantastic in unreality.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Knowles: Is the minister not going to make a statement in closing the debate since he did not make one when it was opened?

Mr. Harris: I did not have an opportunity to make one at the opening of the debate. I would be glad to close the debate but I see it is six o'clock and we had better get the bill through. I will make my remarks if any in the committee on banking and commerce.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

BUSINESS OF THE HOUSE

Mr. Knowles: Will the minister indicate what business we will go on with tonight?

Mr. Harris: We shall take the estimates of the department of northern affairs followed by the estimates of the post office and justice.

Mr. Speaker: Since the house is to go into committee of supply at eight o'clock would it be agreeable if I left the chair now and have the chairman of committees take over?

Mr. Knowles: By leave.

Mr. Speaker: It is by leave since it is after six o'clock.

SUPPLY

The house in committee of supply, Mr. Applewhaite in the chair.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

293. Departmental administration, $509,310.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

The Deputy Chairman (Mr. Applewhaite): We are on item 293. Hon. members will find this item and the following ones on page 50, and the details will be found beginning on page 397 of the blue book.

Mr. Harkness: Mr. Chairman, perhaps I should make a few very short general remarks at this point. First of all I should like to register a complaint as far as the Minister of Finance is concerned in his capacity as leader of the house, in that we had no notice yesterday of the fact that these estimates were going to be brought on this afternoon. As a matter of fact, I first heard of it at about 20 or 25 minutes past six. I know that a certain number of members of the house who were interested in bringing up certain questions with respect to this department perhaps had no notice that the estimates were to be dealt with at the present time. I think this is unfair to them. As far as I am concerned, I sat on the committee and had an opportunity to ask any question I wished, and so forth. But so far as the general membership of the house is concerned, estimates of any department should not be brought on without some prior notice. I understand that this situation arose because the legislation with which we were dealing this afternoon went through more rapidly than was expected, but I would hope that this sort of situation would not arise again—not that I am complaining about the rapidity with which the legislation went through. As everyone in the house knows, the committee on estimates had a considerable number of meetings dealing with the estimates of this department. There were in the neighbourhood of 11 or 12 meetings of some two hours or more duration each. During that time those of us who were on the committee had a full opportunity to ask any questions they wished. Officials of the department were there in large numbers, and perhaps larger numbers than will be the case with almost any other committee, owing to the fact that this department contains some six or more definite and distinct branches, each dealing with something which really in most cases has very little relationship to the other branches. As a result, the number of officials required to be present to answer questions was perhaps larger than would be the case with most departments.

At this point I should like to pay a tribute to the officials of the department who appeared before the committee. I believe that all of us who are on the committee were impressed with the ability of these officials, with the knowledge they displayed of their subject and with the way in which they gave their answers to the questions that were asked. Our coming into contact with these officials of this department did a good deal, as far as the members of the committee are concerned, to increase, shall I say, our confidence in the way in which the affairs of the department are being carried on by the civil servants whose duty it is to administer this department.

As I indicated previously, those of us who are on the committee had a full opportunity to ask all the questions that they had in mind and to which they wished to secure answers. Of course, the number of members on the committee is limited, and that essentially is the reason why these estimates need to be brought back into the house, so that other members who did not have that opportunity can bring up the subjects which particularly affect them and in which they are interested. Once more I regret that perhaps they have not had as much notice as they should—in fact, they have had no notice—so that they might be in a position to do that. As far as I am concerned, and perhaps also most of the other members of the committee, I have very few questions, if any, left to ask. From the point of view of the hon. members who did serve on that committee, I think that there is no question that sending the estimates to the committee will have served very greatly both to facilitate their passage in the house and to shorten the length of time it may take for discussion. Also, having dealt with these matters in the committee, it means that in most cases they

have received more thorough answers than would perhaps have been the case if we had dealt with them only in the house.

There is one other general matter about which I would like to say something. That is the general development of the north country. Perhaps all of us in Canada have been disappointed that our whole northern area—you might say, practically the northern half of this country—which comprises the Northwest Territories and the Yukon Territory particularly coming within the purview of this department, but also, of course, the northern parts of the provinces of Ontario and Quebec, and Labrador, all that large area, has developed so slowly and has received so little attention. I do not place the responsibility for that on the present minister or on anyone in particular. It has unfortunately been the case right through our history, no matter what government was in power and no matter what minister was in charge of the northern affairs of this country, that very little attention really was paid to what went on in our north country, and very few real efforts were made to open up and develop that country.

There is no question that we need to bestir ourselves to a much greater extent than has been the case in the past if we are to make any real use of the northern half of this continent for our own people and thus to provide even, shall I say, a reasonable excuse for us as Canadians to continue to hold and administer that area. With the very considerable amount of overcrowding of population which exists in so many parts of the world, it is, without any need of demonstration, an anachronism that approximately one-quarter of this continent under our control and administration should contain at the present time something in the neighbourhood of 25,000 people.

It is an area which could support quite a large population, as evidenced by similar sorts of areas in Europe and Asia, areas which lie in the same degree of latitude and in many cases have much the same type of climatic conditions and so forth. The minister may say that the eastern Arctic is an extremely inhospitable area and is not capable of development in this way, that way or the other way. I agree that that is probably the case as far as many parts of the eastern Arctic are concerned and that the best we can hope for is certain mineral developments and its use as a reindeer pasture or something else of that sort for the providing of meat. But the western Arctic is a very different proposition. There are possibilities for forestry and mining and—I do not think that there is any doubt about it—for oil development, agricultural development and so on in the western Arctic. In order to make that development possible, the essential thing—and I found there was no disagreement on this in the committee—is the provision of better methods of transportation.

In other words, before the country can be opened up, or before it can develop in any way to any great extent, we must have roads up into that country. In the committee I was disappointed to find that the amount of road building which is projected this year is almost negligible. It seems to me that this department should be taking a much more imaginative view of the possibilities of this north country, without counting particularly the cost of putting in a certain number of miles of road—whether it is 5 miles, 10 miles, 20 miles or 100 miles—at the present time and saying, "That is not going to pay for itself in the next year or two", and so forth. I think we must take a much longer term view than that and must begin to provide transportation facilities on a much broader scale than that on which they have been provided so far.

When the estimates of this department come down next year, instead of there being really nothing in the estimates to provide for road construction, except the provision for certain bridges to be built, I would hope that, considering the total amount of the budget we would have a reasonable provision for the building of roads in that area.

Mr. McLeod: Like the hon. member who has just spoken, Mr. Chairman, I also had the privilege of serving on the committee on estimates and I should like to make a few general remarks at this time. When the affairs of this department were before the committee on estimates, I believe the consensus was that the minister was tackling the many problems of the Canadian north with conviction and courage, and we look for better things in the years to come.

In the committee there was an expressed feeling that sufficient emphasis was not being placed on northern development. We are all aware of the great potential wealth that is dormant in this part of our great country. There are huge resources in minerals, petroleum products and forest products. It has been shown quite conclusively to this committee that heavy expenditures will be necessary to develop access roads to the centres of raw materials and to provide railroads to solve the very acute problem of transportation. It is an economic question on which there is argument on both sides. There are those who say that it would be unwise to make the necessary heavy expenditures while more settled parts of Canada are crying for these same services. On the other hand,

there are those who say that if we do not develop our great north, there are others who may take a more active role and beat us to it. As I say, this is just a matter of opinion and there is great argument on both sides. It is gratifying to know, however, that the minister is paying more attention to the north, that heavy outlays for survey and study are being made and that definite action will follow this planning.

The department, in co-operation with the Department of National Health and Welfare, is doing a vastly improved job in looking after the Indian and the Eskimo population. This is a great humane problem, and the sensible program to adopt, it seems to me, would be one that would provide facilities to make these people self-supporting. This seems to be the general plan that is being followed.

Efforts are also being made to improve the living conditions of all our people who, by necessity or by choice, live beyond our provincial territories. As proof of this statement, may I say that the federal government makes an annual average expenditure of approximately $1,500 per head of population for our northern Canadians whereas the over-all average expenditure in Canada is about $300.

I should like to say a few words about national parks. We have the Revelstoke and Glacier parks in the part of British Columbia that I represent and I am glad to see that a small expenditure—and it is a very small one—is being made this year. In comparison with the amount provided for other parks across Canada, we are certainly not being treated overgenerously. A larger program should be inaugurated to make these parks of more use to the citizens of the interior of British Columbia and to Canada generally.

I should like to suggest to the minister that the possibility of providing a road—even if it is open only in the summer months—into Glacier park might be studied more carefully. I would also suggest that the two parks could be united into one larger national park. Failing this, a road connecting the Revelstoke and Glacier parks and going on to Golden should be carefully studied. I am sure the government of British Columbia would be interested in this matter. Such a road I believe would be one of the most scenic in Canada, would prove to be a tourist attraction of great interest, and would be of great value to the Revelstoke and Okanagan areas.

I am glad to note that the question of federal-provincial co-operation in conservation and development of natural resources is being carefully studied and that this matter will be discussed at greater length in a conference that is to be held later on this year. I hope this problem will be openly and carefully canvassed so that a program in the best interests of the provinces and of the people of Canada will be laid down for future guidance.

I could say something about the engineering and water resources branch of this department. However, in view of the problem that is being studied in another committee in this house at the present time, I think we shall leave until a later occasion any remarks on this subject.

In closing, Mr. Chairman, I would make the same plea that I have made on many occasions in this chamber, namely that the Department of Northern Affairs and National Resources and the provinces work together harmoniously for the good of all.

Mr. Thatcher: I have only one or two comments to make on these particular estimates. I contend tonight, as I contended in the estimates committee, that Canada's northern development is lagging far behind that of other Arctic countries including Russia, Norway, Sweden, and Finland. According to the evidence which we were given in the estimates committee, and as emphasized by the hon. member for Calgary North tonight, the whole population of the Northwest Territories today is between 25,000 and 26,000 people. I think that number includes 7,000 Eskimos and about 4,000 Indians. In other words, since 1945 our population has increased very little, despite the expenditures of fairly substantial sums of money.

I think this parliament should realize that today in the north Canada has a real population vacuum. I am told that in Russia there are 50 cities each with a population of 50,000 or more. Whether the minister wants to admit it or not, I think it is fair to say that Russia and the Scandinavian countries are doing a much better job of opening up their north then we are doing. What is the reason for this lack of progress? As I see it the reason is fairly apparent. Both the Scandinavian countries and Russia are consciously and deliberately opening up their north on a planned basis. In Canada we are remaining virtually indifferent to our Arctic areas. This government's policy towards the Northwest Territories and the Yukon is a kind of "laissez-faire" policy, a "leave alone" policy. I think it lacks aggressiveness and imagination.

Let us look for a moment at the money we are proposing to spend on the north, as indicated by these estimates. According to

the estimates we are proposing to spend $7 million on northern development. That amount is about ·16 per cent of our total budget. I contend that such a small amount is completely inadequate. I say it compares most unfavourably with what is being spent by other Arctic countries. I have a clipping in my hand from a recent issue of *Time* magazine which I quoted in the committee on estimates. I should like to read it to the house. It has to do with what Norway spent on her northern areas in the last year, and reads:

> Norway, with less than a quarter of Canada's population, is now spending $40 million on the economic development of the Norwegian Arctic.

In other words, Canada, a far richer country than Norway and with an Arctic of far richer possibilities, is today spending on northern development less than one-fifth of the amount Norway is spending.

In my opinion one of the major weaknesses of the department is that it has no colonization policy. It has no particular plan to get settlers to move into northern Canada. Whether or not we want to admit it, social conditions on our frontiers are still very primitive. In most cases it is a case of the lone settler struggling against raw nature. I say these conditions are not good enough. The hon. member for Calgary North mentioned a highway program. I think it is shocking that in the whole Northwest Territories, Canada has only 130 miles of highway. Moreover I am told that many of these miles of highway are in poor shape. Apart from the Alaska highway, we only have 400 miles of highway in the Yukon. Surely it is time we started to open up that country.

As I said a moment ago, the Scandinavian countries and Russia have an over-all plan. They are opening up the northern parts of their countries on a planned basis. When they proceed to open up new areas they send in bulldozers first to clear the land. Then they send in carpenters to build houses, schools, theatres, stores and the like. Finally they move in the people. The minister said in the estimates committee that much of the Russian development is done by forced labour. I am quite prepared to admit that to a degree his statement may be true, but it is obviously not entirely correct. I do not think parliament should allow the Russian bogey to affect us to such an extent that we are not willing to learn from the progress they have made.

I think Dr. Stefansson is one of the best known explorers of the world's Arctic areas today. Not long ago he addressed the Canadian Club in Toronto and, as reported in the Toronto *Globe and Mail*, he had this to say:

> . . . there is no real reason why large communities cannot be developed in Canada's north which are either fully self-sufficient or better integrated into the national economy. Dr. Stefansson, who has spent more than ten years of his life within the Polar circle, said it was a fallacy to suppose that agriculture, cattle and manufacture, could not be undertaken in the far north, though these activities might vary from the accustomed practices. Just this very sort of colonization has been successfully accomplished in the Soviet union . . .

I suggest that we are living in dangerous times. If we do not do something to colonize our north then, as has already been suggested, someone else may come along and do it for us. For purely defensive reasons we should be doing more to get people to go north. Because if Russia or any other country should suddenly decide to attack us from the north, they would go through those territories like a hot knife through butter. I say the time has come for the government to decide to spend more money on northern development, and to adopt a plan for colonizing the north. The time is rapidly approaching when some action must be taken.

Mr. Dinsdale: I want to say a few words on the first item because in considering the estimates of the Department of Northern Affairs and National Resources I believe we are dealing with one of the most important departments in the whole gamut of government operations. It was my privilege to be a member of the estimates committee, and for the first time I had the opportunity of really becoming familiar with the possibilities of Canada's north that have been referred to by the hon. member for Moose Jaw-Lake Centre. But in addition to northern affairs the other items we have before us tonight are, in my opinion, of equal importance because under this department we consider lands, water resources and forests. That just about covers everything of significance so far as our natural resources are concerned.

Then we also have to consider the national parks branch, under which come tourist activities which, as most hon. members know, are one of the largest sources of United States dollars. From that standpoint alone it is of tremendous commercial importance. As I said in the committee, I was inclined to agree with the hon. member for Moose Jaw-Lake Centre that Canada has been somewhat deficient up to the present moment in developing its remote northern regions, particularly in the Yukon Territory and the Northwest Territories. I was astounded to discover, for example, that actually there has been an over-all population decline since 1901. In

1901 the total population of the districts of Mackenzie, Keewatin and Franklin, including Eskimo, Indian and white, was 20,129 whereas in 1951 the number had been reduced to 16,004.

The same pattern is evident in the Yukon Territory where in 1901 the population was 27,219 and in 1951 9,096. I was glad to learn from the discussions in the committee that since 1951 there has been an upward trend. That is a hopeful and encouraging sign for the future. Like the hon. member for Calgary North, I was also impressed by the enthusiasm and grasp of affairs displayed by the officials of the department who appeared before the committee. I say this particularly with reference to the deputy minister, who is a comparatively young man. He particularly seems to have an eye to the future so far as the potentials of the north are concerned. Recently he has been making statements in optimistic terms with reference to northern development. One occasion was on March 15, 1955, when he addressed the forest products research society. He foresaw a development of the north not unlike the development of western Canada and said that climate was not likely to be any obstacle. The deputy minister went on to point out that the five-month average temperature from November to March was more than two degrees warmer in Whitehorse, Yukon, than it was in Winnipeg. Those are encouraging words. I had my first opportunity last fall to have a brief glimpse at the community of Whitehorse in the Yukon Territory. I am sorry the hon. member for that district was not in the vicinity at the time because I had looked forward to seeing the area more extensively. However, I can say from firsthand experience on the occasion of my visit that certainly there should be tremendous development in the immediate future. With reference to the deputy minister's statement concerning development of the western prairies the northern territories are not the only regions in Canada that have been very slow in developing. I would suggest that before we can see the results suggested by the hon. member for Moose Jaw-Lake Centre we will first have to fill up the wide open spaces in the mid-continental region of the prairies. I feel certain that before we can leapfrog into the Arctic regions we first have to meet the needs for industrial development and population growth in our three prairie provinces.

It is true that Russia and other European countries have moved ahead very quickly in exploiting the possibilities of their northern regions; but we must remember that, in the first instance, their population resources are much greater than ours and that, too, there

are certain climatic differences in that to some extent they are subject to the influence of the gulf stream and are able to approach the development of that area from the ocean rather than from the land area. On the other hand, in our northern region we are pretty well faced with a solid, frozen mass, so far as the ocean area is concerned. I suppose that is what accounts for the comparative coldness of climate in the city of Winnipeg, largely as a result of the indentation of Hudson bay deep into the interior of the Canadian section of the North American continent.

Returning to this problem of the development of the prairie region, in terms of land, forest and water resources, I should like to deal briefly with the continuing necessity for conservation and a co-ordinated and organized program in respect of the conservation of these basic resources to which I have referred. We had a discussion on this subject on February 16, I believe it was. Unfortunately that discussion took place on a Wednesday, which is a half-day in the House of Commons, and we were not able to carry it very far. I believe it is fundamentally important that we take immediate action to have a co-ordinated and organized conservation program that would embrace these three important resources which come under the Department of Northern Affairs and National Resources.

We are forcibly reminded of the need for handling the water resources problem by the periodic floods that take place each year on the prairies. During recent days we have been hearing again of flood conditions in Saskatchewan and Manitoba. The water control problem has two sides to it. At certain stages in the water cycle we have drought, while at other periods in the cycle we are faced with surplus supplies of water. The two measures that have emerged in solving this problem have come as a result of one crisis or another, either a drought crisis or a flood crisis.

The Prairie Farm Rehabilitation Act, which does not come under the supervision of the Department of Northern Affairs and National Resources—and I must say there seems to be some confusion as to the respective responsibilities of that department and the Department of Agriculture in this connection—was organized to deal with a condition of drought. On the other hand, during periods of flooding we have certain dam developments to meet critical emergency situations.

I suggest that if we are going to deal with the problem of the control of our water resources we will have to do so, not on an emergency basis, but under a long-term plan,

with some over-all national co-ordination. During the discussion last February the usual difficulties connected with jurisdictional responsibility were raised. I am referring to the respective responsibilities of provincial and federal authorities. This seems to suggest that a topic of this kind might well be included in any dominion-provincial conference, such as is contemplated in the immediate future.

Moving to another aspect of this over-all conservation program, we are faced with the necessity of doing something about our forests. The preservation of our forests is basic in any over-all program of conservation. Actually, the history of Canada has been staged against a forest background. Certain progress has been made in connection with programs of reforestation; but, again, these have been on an unco-ordinated and individualistic basis.

I was interested in listening to a radio discussion the other night to note the emphasis placed in certain European countries upon the importance of wood stands in agricultural areas. In fact there are some farms, in countries like Sweden, which are actually forest farms; and in considering the sale value of such farms the wood stands hold a dominant position. Here in Canada, particularly in the western section, we place very little value on our wood stands. In fact the few wood stands we have in the prairie region to a great extent have been the result of man's activity, as he has attempted to deal with the problems of soil erosion and soil blowing that have occurred during the periodic water cycles of drought and flooding conditions.

I suggest the department might well provide leadership by means of educational programs and through the use of the various facilities in the department to encourage an individual approach to the problem of maintaining and preserving our forest reserves. Unless we do maintain a proper balance there can be no hope that we can meet successfully the continuing problem of soil erosion and the loss of our valuable land resources.

I should like to place one or two statistics on record in connection with this problem of the preservation of land resources. Up to the year 1941 western Canada had abandoned 4 million of its arable farm acres as a result of recurring drought. Then, between 1921 and 1940, 267,938 acres of land in Manitoba alone went out of cultivation, largely as a result of soil erosion. This came about as a result of drought, as I have indicated, and it also came about as a result of periodic flooding, because with the periodic recurrence of flooding there is a tendency to destroy the fertility of the soil; a reduction in the organic matter of the soil occurs and when the organic matter in the soil is reduced, then the workshop for the billions of bacteria, which in turn manufacture the elements essential to plant life, disappear.

In other older parts of the world we are made vividly aware of this problem, because of the desiccation of those lands. In some areas the desiccation has advanced to the extent of producing man-made deserts. We, even though we are blessed with limitless natural resources, cannot guarantee that that happy state of affairs will continue unless we take immediate action to have some national planning in regard to this problem.

To wind up this brief discussion, I should like to emphasize that in regard to northern affairs and national resources we must take a long-term view. We cannot overcome the deficiencies of the past in the north in the matter of a brief decade or even two decades. I was impressed with the attitude of the minister and his departmental officials as we considered those problems in committee, but these attitudes must now be carried into action. I should like to suggest once again that the land resources, the forest resources, the water resources, belong to the past; they belong to the present; they belong to future generations yet unborn, and we today have a responsibility as custodians of these God-given opportunities.

Mr. McIvor: Mr. Chairman, I was very happy to hear hon. members of the opposition speak as they did. They are still true to form, especially the hon. member for Calgary North. They all commended the young minister and his officials on the splendid job they are doing. It is music to hear the minister commended. It is not music when they are asking something else from the minister. I said they were true to form. The department was doing a good job but was not spending enough money in opening up roads, in increasing transportation, in making it possible for the natural resources of the whole north country to be developed.

Mr. Macdonnell: Leaving too many unemployed.

Mr. McIvor: Then I thought of the thousands of acres in Ontario where the climate is fine and the soil is productive, and yet we have not a large enough population to develop it. I have a good reason to be interested in the cold north country for my boy was up there for about four months flying. Was he not glad to get back to civilization and to a place where he could freeze without seeing his breath all the time?

I could go on along this line for some time. It just shows how big Canada is from the Atlantic to the Pacific and from the north to the south. In the next 20 years, if you and I look that far ahead, we shall see great developments, and if the opposition continues to advise the young minister and his department in the way that they have tonight I am sure it will be a splendid stimulant. It will be something like what was said of the Minister of Finance. It will be a shot in the arm.

What I rose to say, Mr. Chairman, was that we want the minister or some of his officials, when they are passing through Fort William next summer, to visit mount McKay. We think it should be a national park. I have tried to get it as a national park but I have just been beating the wind.

Mr. Rowe: That is what you have been doing most of your life.

Mr. McIvor: The dominion tells me that the province must purchase mount McKay and then hand it over to the dominion government if they want it as a national park. So, between the two, I just fall to the ground. Mount McKay is one of the finest sights in Canada. I have travelled all across the country and I have seen some great scenery, but I have never seen men and women so awe-struck as when they drive up to the top of mount McKay, pass a little bluff and then see that great panorama, that beautiful scenery. It just holds them spell-bound and they cannot get their breath for a minute. It is the greatest scenery in the world.

As I have said before, we have our water system away up there. You common people get your water from down below; we get our water from up above, 800 feet above the level of the city. We have the finest ski jump in Canada, the finest runs for slalom. We put on skiing championships that are second to none in Canada.

I tell the minister that it would bring money to Canada if we developed that area as a national park. Thank you for listening to me.

Mr. Nesbitt: Mr. Chairman, I do not wish to take up much of the time of the committee on this matter, but I should like to bring to the attention of the minister an island in the middle of lake Erie. I did this last year. This island has a lot of snakes and a lot of pine trees on it. I gave a long history of this island last year and I do not intend to repeat it tonight. We are always accused of being repetitious in the house and I shall try to avoid that. However, as I said before, this island is called Long Point island. It consists of approximately 19,000 acres and is situated in the middle of lake Erie and stretches out from the Canadian shore.

At present, this island is owned by a corporation which is composed mostly of stockholders in the United States of America. The corporation operates a clubhouse on the island which the members visit very occasionally, usually in the duck-shooting season of the fall, and they employ a force of gamekeepers to act as a sort of private police to keep people off the island.

When the island was purchased around the year 1866, there was very little population in the southern part of Ontario, and it did not make much difference at that time. There has been a great increase in population in southern Ontario, and it is increasing at such a rate at the present time that summer resort spots are at a premium. People have to travel many miles over the week ends and this causes traffic deaths and traffic jams to get some place where they can enjoy the beauty and other advantages of our Canadian climate in the summertime. This island is readily accessible to the main centres of population in southwestern Ontario, such as Hamilton, London, Brantford, Galt, Kitchener, Woodstock, Tillsonburg, Stratford, and many other places. It is not more than an hour and a half's drive from any one of them.

If this island were to be made into a national park I am sure the summer resort problem would be overcome in that area. Wildlife, which has remained on the island in a virgin state, would be protected. There are trees and shrubs of various kinds and native plants on this island that are not found any place else. They are still in their native state. There are eagles on the island. I mentioned previously that there are more snakes there than are found any place else in the world. There is also as well some of the best bass fishing and duck shooting to be found anywhere in North America. The bass are being greatly depleted every year. In fact, the catch is getting less and the size is getting smaller. If this island were taken over as a national park it would give an opportunity to the people of the country to enjoy these things in the future. Control could be exercised over the take of fish and the number of birds taken every fall.

I mentioned before, but perhaps it is not clear enough, that if this island is taken over as a national park the rights of the Long Point Company need not be completely taken away. They have looked after this valuable piece of property for nearly 100 years and in many ways have done quite well, but I suggest that a handful of people do not need 19,000 acres of land such as this right in the heart of the most thickly populated part of

Canada in order to go duck shooting. They could do very well with 1,000 or even 2,000 acres; they certainly do not need 19,000 acres.

There are one or two other clubs which have been there for many years and I think they might well be left alone also.

The government should consider the acquisition of this land as a national park. I know the minister is going to ask "Why the federal government?" He is going to ask why the department of northern affairs should be concerned in this matter. There are other parks operated by the federal government on lake Erie and on some of the other great lakes. As I have mentioned before, this island is about 20 miles long by about a mile or 2 miles wide and it stretches out toward the international boundary from the Canadian shore. The Department of Transport operates a lighthouse and lifesaving station at the end of the island, and I rather hope that in the not too distant future we will have a coast-guard station there. Nothing of that nature exists at the moment but we can always hope.

I know perfectly well that the province of Ontario would have to acquire the land in the first place and then turn it over to the federal government, but there is no reason why the minister should not enter into negotiations with the provincial government with a view to making an agreement to acquire this land.

There is one thing that has come up which I think is worthy of note since I made my remarks in the house last year on this subject. I have mentioned that there are a great many resources on the island. There is a fine stand of timber and there are many native plants. It is true that the proprietors of this island employ private gamekeepers, but they are not able to look after fire protection.

Last summer part of the island was swept by fire which apparently had been set by some people who had landed by boat. The gamekeepers were unable to control the fire and a large part of the end of the island was burned over. Native stands of timber and other material were destroyed.

As the population increases in this part of the country more and more people will find their way to this island. If there is no fire protection what happened this summer may happen again and before we know it these valuable resources will be destroyed. We should take action before it is too late.

I do not think there is anything else I want to say at this time. I wanted to bring this to the attention of the minister in the hope that he will give the matter favourable consideration.

Mr. Michener: Mr. Chairman, in the interests of economy I am not going to invite the minister to create a national park in any part of the riding which I represent. We have one or two prospective apartment house sites and if the minister could see his way clear to take them over it would probably settle a problem which is bothering the city council. There are so many beautiful places outside of Toronto that if the minister were to be given a free rein as he travels about the country there would be so much of it nationalized that there would be little left for the rest of us.

We do appreciate that this department deals with some very beautiful resources in the form of scenery, some most interesting resources in the form of historic monuments and sites, and it also has the tourist bureau which helps to bring people to enjoy all these resources. I have two or three brief comments to make and I do not think I will have much to say on these specific items.

As was pointed out in the committee, the tourist balance sheet is rather unfavourable. I am not saying that that is due to any lack of effort on the part of the tourist bureau, because I feel that Mr. Dolan and his staff are doing a good job; but the fact is that Canadians spent $380 million last year in the United States while Americans spent only $300 million in Canada, which leaves us with a debit balance of $80 million, a not inconsiderable item in a balance sheet. There is a lot of work to occupy the department in extending tourist activities and encouraging travel throughout our national parks and perhaps into our northland. It strikes me that there are many people in this crowded world who would enjoy the northland as a vacation ground in the future and perhaps they have not been invited to do that in the past.

A word as to highways. On a visit which I made to Yellowknife I found that they have only 18 miles of highway, but I was astonished to find that with their small population of some 3,000—I am not sure of the exact number—they have 38 taxicabs. There is no point in having any more highways because there is no place to go, but the 18 miles do serve that community well. It gives an opportunity to travel by taxi throughout the length and breadth of that famous gold mining camp.

I should like to say a word about the hydrometric services and flood warning activities of the department. It seems to me that there is much to be done in co-ordinating these activities with the meteorological services in order to give proper warning against such flood conditions as can be foretold. If the amount of rainfall were measured

accurately I am sure that much loss of life could be prevented, and in this connection I would refer particularly to the flood which occurred in the Humber river valley.

Mr. Lesage: Could I ask the co-operation of the hon. member to discuss this matter when the officers of the water resources branch are here.

Mr. Michener: I shall be glad to do that. I concur in what the hon. member for Calgary North has said. In the committee we were given an opportunity to find out about the work of this department and we received the greatest co-operation from the officials who were called there to give an account of their administration. I think the hon. member for Fort William went a little beyond what was implied in the remarks of the hon. member for Calgary North. I am sure that the minister does not expect loud praises from this side of the house, and I am confining my remarks to the officials of the department.

In the committee we were able to review thoroughly the work of this department and therefore it should be possible to approve the estimates in a very short time. We were not satisfied on every point. For example, some of us were concerned that a house for a superintendent should cost $32,000 when it did not seem to be any more substantial than a house costing $18,000 here, but by and large we did get our information and that is what the committee was for.

Mr. Hosking: Mr. Chairman, I should like to call the attention of the minister to the necessity of a park near the largest city in Ontario, possibly the most important city in Canada. No doubt when the St. Lawrence seaway is completed the city of Toronto will be one of the major cities on the great lakes. We have at the present time the best opportunity for placing one of the best parks close to one of the large metropolitan centres that we will ever have. I would ask the minister to see the Minister of National Defence and arrange in some manner or other that the rifle ranges which are situated on the lake shore road running from Hamilton to Toronto be converted into a park. If that vast expanse of unbuilt-up land ever becomes industrialized we will have lost the last opportunity of putting close to the city of Toronto a park that that huge metropolis should have. It would be the only place where there is a beach on Lake Ontario. There are hundreds of acres there which are going to be abandoned, we hope, by the Department of National Defence in the next year. Before anything happens to that land, I would ask the minister to get in touch with the Minister of National Defence to see what could be done to salvage a most valuable piece of land and turn it into a park which would be appreciated by the thousands and thousands of people who live in both Toronto and Hamilton.

As long as Canada is a country, if this is done, this project will be appreciated more than almost anything we could do and certainly by more people. I would call that to the attention of the minister and ask him to use his usual forcefulness to see that this piece of ground is saved before it is built over and lost to the people for all time.

There is another matter which I should like to call to the minister's attention. I suggest that he find out whether something cannot be done to speed up some of the projects that we carry out in conjunction with the province. I should like to speak for a moment on the subject of the Conestogo dam.

Mr. Lesage: Could I ask the co-operation of the hon. member? Would he defer his remarks on this subject until the officials from the water resources branch are with me? Hon. members will realize that there are so many details in the department that I cannot possibly know what point we have reached on such and such a work unless I have the proper officials of the branch here.

Mr. Hosking: I shall be delighted to acquiesce in the minister's request, and I certainly hope that he will acquiesce in my previous request as willingly.

Mr. Lesage: I shall look into it very carefully.

Mr. Hamilton (York West): Mr. Chairman, I was delighted to hear an hon. member from outside the metropolitan Toronto area express such interest in our welfare.

Mr. Hosking: In the national welfare.

Mr. Hamilton (York West): I am not sure whether it comes from the heart or whether it might have some connection with an election that is in the offing.

Mr. Hosking: We are not all political.

Mr. Hamilton (York West): In any case it is unusual that we have two hon. members from Toronto speaking tonight about areas in the far north. I too have had the opportunity over the last five years to visit the Northwest Territories a few times a year, and last summer I got as far as my hon. friend's riding in Yukon. I honestly believe that, before we can see the development of this country on the scale to which it is destined, it probably

will be necessary for all of us to see those far-flung areas. Only in that way can we realize the great potential that lies before us in this country's development. No matter what any other speaker has said tonight, the true development of the north can take place only with a sincere and real attempt to provide adequate transportation for those areas. In these remarks I am echoing the words of the hon. member for Mackenzie River (Mr. Hardie), whose long experience in transportation matters in that area has led him to make the same type of statement. When we talk about transportation in that area we must talk about air transportation, because, no matter where you go in those areas, the prices of the products which you buy are determined to a great extent by the cost which is tied up in the air transportation charges for getting the products there. In addition, of course, it is not going to be possible to induce the necessary population to go to that area unless there is easy access in and out.

The hon. member for Fort William (Mr. McIvor) mentioned his son's anxiety to return to civilization. I would probably frown on that remark in so far as it describes conditions. I think that the hon. member for St. Paul's (Mr. Michener) was closer to the mark when he described some of the realities of Yellowknife and the fact that taxicabs are as numerous there as they are in the most populated cities in the southern areas. But at the same time we must recognize that, even in connection with population, it is necessary to see that easy movement of personnel is possible into and out of the northern areas.

How are we going to accomplish this? There are those who will say that it is probably necessary to subsidize some type of air transportation system. Frankly, I think we have waited so long that that period is now past and that the air operators of this country are in a position without help to provide the transportation which is required. I do not want to spend too much time on this particular phase of my remarks, because I hope to have a great deal more to say about this when we get to another department with which it is more vitally connected. But it seems to me that it is necessary for the government to provide at least a lead to the private air operators so that we will go ahead with the development which should take place. In other words, I do not think that transportation should lag behind; it should be in the forefront; and it is absolutely necessary that it should exist in order that proper development may take place. In connection with the policy which might be pursued, I should like to read a paragraph from "Civil Air Policy" as enunciated in the United States in a report by the air co-ordinating committee by direction of the President. Here are the words which are used in that report:

> In determining policies appropriate to air transportation, it must be kept in mind that this is an industry affected with a public interest. The responsibility of the government, however, is not to carve out some predetermined role for air transportation and then attempt to force the industry into such development. Rather, the government must provide a general background of sound regulatory and promotional policies within which the industry itself will have the greatest possible opportunity for finding its own proper mission in competition with all other forms of transportation.

What has been the policy of our own government in this connection? It has carved out the fields and has told people more or less just what they will do with them. It is not possible to provide the expanding services on the basis of a policy which provides some type of monopoly east and west for a government-owned system and which has all aspects of the same type of monopolistic system north and south for one large operator. We should expect more than that. In reference to what we might expect, I should like to quote from an address by the Hon. Lionel Chevrier, then minister of transport, on November 10, 1952, to the Air Industries and Transport Association, in which he said this:

> . . . with the substantial growth of traffic within Canada it is no longer necessary to insist on monopoly conditions with regard to regional scheduled services and government policy will not forbid the gradual development on a regional basis of a reasonable amount of competition between scheduled air services. Any such development must be based upon findings of public convenience and necessity as required by the Aeronautics Act and any changes made by the air transport board in this direction will be very gradual and related to maintenance of conditions which will establish a sound economic position for the operators while ensuring the services that the public require.

Yet since that date there has been no indication that any other policy is being pursued in connection with transportation in the north than a straight monopolistic policy.

There is now an opportunity that is being given to the north, and I hope that hon. members of the House of Commons will continually remind the government of it and will make sure that the north will have both the benefit and the advantage from it. In connection with the construction of the distant early warning line we are now engaged in probably the largest mass type of air transportation that has taken place anywhere in the world. It has involved the use of every available transport aircraft in Canada. It has involved the use of aircraft imported from other countries and it is involving the use of the aircraft of the air forces of both

this country and the United States of America. Within the next two years there will be available in this country a mass of multi-engined aircraft, freed from that large job and written off to the extent of at least 66⅔ per cent of their original cost. There is going to be a wonderful opportunity to put them to work if the government will see that a lead is given to air transportation and that it is not allowed to follow development instead of preceding it. Here is an opportunity that we must not miss. Here is an opportunity for us to take advantage of the policy laid down by the ex-minister of transport and to see that those areas are brought as close as possible to the highly industrialized areas of the rest of Canada, to the benefit of both.

Mr. Macdonnell: Mr. Chairman, here is a third Toronto member making an excursion into the north, as far north as Fort William, anyway.

Mr. Lesage: That is not very far.

Mr. Macdonnell: We have had an interesting speech tonight from the hon. member for Fort William. The hon. member for Fort William might fairly claim—and I doubt that there would be many competitors—that he has administered more genuine adulation to members of the government than has anyone else in the short time I have been in the House of Commons. The hon. member not only praises ministers, but he praises anyone who looks like a minister, anyone who looks as though he might become a minister, anyone who has been a minister or anyone who is related to a minister. Tonight, however, I think he almost outdid himself.

In so far as the requirements of his calling would permit, he launched out into a criticism of us here in the opposition. The criticism was interesting. As far as I can make out, what he was criticizing us for is that we had ventured to suggest that rough people—people who could take it—should go north and live there. He described his own son—to whom I hope he did an injustice; I am sure he did so—as having gone to the north and come back, not able to take it but wanting to be snug in Fort William.

That raises an extremely serious question about the minister himself. I am sure he will not mind my being personal. I was interested in an article on the north last summer which depicted the minister. I regret to say that, not following the advice of the hon. member for Swift Current-Maple Creek, the minister did not have a beard; he did not wear a hunting shirt; he did not have a knife stuck in his belt; and he did not have leggings. Indeed, he was just a dapper city slicker.

That is all very well. I must say that the writer of the article praised the minister for being up in the north country, as I do. But I think that if he could only adopt the costume that I have suggested and the tonsorial arrangements which the hon. member for Swift Current-Maple Creek has suggested, he would be even more convincing to those of us who follow with interest his excursions to the north.

I now want to say a word or two about a discussion which I find in the minutes of the estimates committee. I was one of the people who were accused of not being too enthusiastic about the estimates committee, but I find here an extremely interesting discussion and I wish to quote from it. It is to be found at page 438 and one of the new independent members who is not here at the moment was cross-examining the minister in a way which made me feel that he perhaps was fairly independent still. That was something that was very nice to think. As reported at page 438, we find this discussion:

> Mr. Thatcher: Yes. Mr. Minister, can you tell me roughly what the population in the Northwest Territories was at the end of the war and roughly what it is today? . . .
>
> Hon. Mr. Lesage: As to the population of the north, there are about 16,000 in the Northwest Territories and about 10,000 in the Yukon.
>
> Mr. Thatcher: Then, what plans has the government got to encourage northern settlement? Obviously it is not having much success in getting people to go up there. Have you got any definite plan?

The answer of the minister is one that I find to be extremely interesting, and there are one or two more like it.

> Hon. Mr. Lesage: People will go up there when there are jobs and opportunities available.

To me that seems to be like saying that you will go in the water when you can swim; or it seems to be like saying that the hen comes before the egg or the egg comes before the hen, I am never quite sure which, but you never get anywhere. I read on:

> Mr. Thatcher: But in Russia and these other places they are making jobs available.
>
> Hon. Mr. Lesage: They are making jobs available mainly for forced labour.

That strikes me as a very interesting comment. I submit to the minister in all friendliness that that is a defeatist argument. Surely we would not like to admit that in a free country, where I am sure there are any number of people with the same kind of adventurous spirit they showed in other circumstances 12 or 15 years ago, these things cannot be done. It is not possible for me to believe that these things which are being done in Russia under forced conditions or under slavery conditions, cannot be done here if the conditions are made right. I read

on, and this is the hon. member for Moose Jaw-Lake Centre again; I am all in favour of this independent member. I think he is very good so far:

Mr. Thatcher: Well, Mr. Minister, is there any fixed policy which the government has to bring people to the north or try and get it settled?

Hon. Mr. Lesage: It is not a definite policy necessarily to bring people to the north, but it is a general policy of encouraging economic development in the north which will bring up people.

Also, which is very important, it is a policy of using manpower possibilities that we have already in the north. I am thinking especially of the natives at the present time.

The minister nods his head, and I understand why. In a way, that is an unexceptionable statement, but on the other hand, when I go back to what the minister says about Russia, namely that we in Canada can do this thing when we force people to do it, it seems to me that there is a great contradiction between that and what he says later. First of all, he suggests that the reason we have not been able to get people to go there is that you have got to force them into it—

Mr. Lesage: What is that?

Mr. Macdonnell: With regard to the minister's remarks about Russia, I say that a fair implication of that first answer that I read is that we do not get people to go to the north because, in order to get them to go to the north, you have got to force them to go.

Mr. Lesage: Oh, no.

Mr. Macdonnell: I am drawing my inference.

Mr. Lesage: It is yours, and you can keep it. I do not agree with it.

Mr. Macdonnell: The minister can argue against it if he wishes to do so. I am just saying that, in answer to the hon. member for Moose Jaw-Lake Centre when he speaks about people going north as in Russia, the minister says "They are making jobs available mainly for forced labour". Now I come back to the second point. This is to be found at page 439:

Mr. Thatcher: Well, would it, Mr. Minister, be fair to describe the policy of the government at the moment as a kind of laissez-faire policy?

Hon. Mr. Lesage: It is definitely not a laissez-faire policy, it is an active and vigorous policy of bringing education to the north, and doing everything possible to reduce freight rates in order that the cost of living will be brought down and in order that further economic development may be stimulated by various measures.

Mr. Thatcher: Mr. Minister, there is no policy for colonizing the north at the moment?

Hon. Mr. Lesage: Well, if colonization means settling people on farms, there is no possibility of colonizing except in the Mackenzie valley . . .

I am not going to read all that. I continue, later:

Mr. Thatcher: But we have a population vacuum in the north; are you doing anything to try and rectify it?

I am not going to detain the committee while I read at length. The minister makes answers which he will defend and which I think I understand, but I do suggest that as one reads this one comes away with the feeling that there is a great negation, and all the more because later on at page 440 the minister becomes rather mysterious and indicates there are certain things "cooking". That is my word, not his. I will read one sentence in the middle of the page. The minister is being questioned by the member for Calgary North. The passage reads:

Mr. Harkness: Well, in that case then you have no definite plans or even proposals at the present time for a railway from Grimshaw up into that northern area?

Hon. Mr. Lesage: No, it depends on quite a number of factors which are being discussed at the present time.

I am not going to pursue that now. I was interested in that conversation. We are on the first item, and I take it we will have a chance to ask further questions when we come to the relevant item. Am I correct, or is this the relevant item?

Mr. Lesage: The relevant item would be item No. 312. That is where the development of the north was discussed at length in the committee.

Mr. Macdonnell: What item are we on now?

Mr. Lesage: The first item of the department. We are on departmental administration.

Mr. Macdonnell: What number?

Mr. Lesage: The one I suggest is the first item under northern administration. In the meantime the hon. member will find a full statement of our policy respecting northland development and dealing with the problems of the north at page 535 and following of the report of the proceedings of the committee. At that time in the committee we were dealing with northern administration. The discussion the hon. member just referred to, from which he quoted a few extracts, was a discussion on the first item of the department. As a matter of fact, a full discussion of northland development took place when we reached northern administration, and it is reported on page 535 and the following pages of the proceedings of the committee.

While I am on my feet, I wish to thank all hon. members who have spoken for their suggestions and the appreciation they have

expressed of the work of the department. I will be very careful to exclude myself, to please the hon. member for Greenwood. As I said, northland development was discussed to quite an extent by various members, and I do not believe I could add anything to what I said in the statement I made in the committee, to which I have just referred, in the answers I gave in the committee, and the answers that were also given by the officials of the department. There is this exception that at that time I said we could expect there would be a reduction in the rates for air transportation in the north. This reduction has been announced by Canadian Pacific Air Lines. I also said I was expecting a reduction in freight rates for water transportation. Since that time the Northern Transportation Company has announced certain substantial reductions in their rates.

Mr. Simmons: My remarks are going to be very brief inasmuch as I also had the privilege of serving on the estimates committee where all items of the Department of Northern Affairs and National Resources were discussed at length. It has been most gratifying to listen to the interesting remarks of the previous speakers. They go to prove beyond doubt that it is the considered opinion of hon. members, regardless of party affiliation, that every effort should be made to populate and industrialize the north country wherever possible.

Mr. Hahn: Mr. Chairman, I have not decided yet whether or not I will take much time.

An hon. Member: Do you need some help?

Mr. Hahn: No, I do not need much help. I have had the pleasure on several occasions of drawing to the minister's attention the desirability of establishing a park in the region around the monument at Point Roberts. Recently the minister gave me to understand, and rightly so, that the monument itself comes under the department of northern affairs and technical surveys.

Mr. Lesage: No, not the department of northern affairs. The monument to which the hon. member refers comes under the jurisdiction of the international boundary commission, and the international boundary commission is under the jurisdiction of my colleague, the Minister of Mines and Technical Surveys. This department has nothing to do with the monument my hon. friend has mentioned. I thought I had explained to the hon. member that we had nothing to do with that monument.

Mr. Hahn: I used the wrong term. I was going to refer to the minister later with respect to the desirability of creating a park in the area surrounding the monument. It would appear that the United States government has seen fit to take some 7 or 8 acres on their side of the monument for the purpose of creating a national park. We on the Canadian side are being told—at least, I was so informed as recently as three o'clock this afternoon—that the international commission is going to look after the monument because it is on the international boundary, which is quite understandable. They are going to clean up the brush around it and so on. However, it is going to be quite unsightly resting as it does on the boundary in view of the fact that the Americans are going to have a park in that particular area.

I strongly urge the minister to discuss this question with his colleague—there is not too much land involved—to see whether or not there is a possibility of creating a small park comparable in size with that on the United States side so that our part of the grounds will not look too shoddy compared with theirs. On the international boundary at Douglas the provincial government has a peace monument, and I must say it is certainly an outstanding piece of work. The minister has probably seen it. I am satisfied there is one of the finest parks there in the northwestern part of the continent. I would not expect anything quite so grandiose in the region surrounding the monument at Point Roberts. However, the monument is of such a historic nature, as the minister will realize and as his colleague realizes, that I feel if they could get together possibly something could be worked out whereby the people in the community could be satisfied and it could be made a part of the general tourist attractions on the lower mainland of British Columbia.

Mr. Thatcher: I am not entirely satisfied with the statement the minister gave us as to the policy of the department to populate northern Canada. As I said a moment ago, our population has been stationary since 1945. All the minister has said is that they have got Canadian Pacific Air Lines to lower transportation rates, and the Northern Transportation Company to lower freight rates.

Surely the department is not so bankrupt of ideas that they have not some kind of plan. Are we going on for another ten years without getting more people into our north country? I certainly think the minister should give the house a little more satisfaction before this first item is passed.

Mr. Lesage: I refer the committee and the hon. member to pages 535 and following of the committee on estimates.

Mr. Thatcher: Oh, I was on the committee.

Mr. Lesage: I gave full answers to all questions.

Mr. Thatcher: But surely that is not satisfactory. Just because we put the estimates before a committee is no reason why the minister should come to the house and refuse to answer questions. The minister simply has not answered the questions which have been asked tonight, and before this item carries I think he should do so.

Mr. Lesage: I do not believe I should use the time of the house in reading the reports of the committee on estimates.

Mr. Thatcher: Just tell us what your policy is.

Mr. Lesage: It is in the report, sir.

Mr. Churchill: Mr. Chairman, I am not going to take much time—although we do not owe it to the house leader to push things through tonight, because he caught us by surprise when he brought forward this department, without notice.

So far as the minister is concerned, I think he will find that things will go reasonably well, in view of the fact that the department has already been before the committee on estimates. I was glad to hear the hon. member for Greenwood administer a rebuke to the hon. member for Fort William, who offers praise on all occasions and to everyone who happens to come within the orbit of his views. I would draw to the attention of the house the remarks of Mr. Adlai Stevenson who said that flattery is fine, if you don't inhale. Cabinet ministers opposite seem to acquire very early in life the bad habit of inhaling; so I think we should be careful about offering too much flattery.

Consequently I am not here to praise the minister. As a matter of fact—

Mr. Lesage: I never expected that from you, especially.

Mr. Churchill: I was interested to note that the minister was somewhat disturbed when the hon. member for Greenwood drew an inference from his statement in the committee, because the minister is so ready to draw inferences from statements I made. I was glad to see the tables turned.

However, I was going to say that the committee on estimates was very interesting for this reason, that it shows how ridiculously easy it is to be a minister. You have, as this minister has, very competent and efficient staff officers who support you. And with such competent and efficient staff work in his department, so far as the minister is concerned his task must be extremely easy. It is more difficult for us, who have to dig up our own information. Sometimes, if he is wise, he just keeps quiet and lets the officer of his department who knows the information give it.

However, as I have said, the staff of his department is very active and very competent. I do make this suggestion to the minister, that his is one of the very interesting departments of government. The minister recognizes that, as we all do. If on another occasion the estimates of this department are sent to the committee on estimates the minister should arrange for at least one or two meetings in a large committee room, such as the railway committee room, and there have on the wall one or two maps of the northern territory. Those maps should be large, so that we would have the picture completely before us while the committee was sitting. I grant that there is a very useful map published in the annual report of the department, but I am thinking of something of a good size, such as we now see in the railway committee room where there is a map of Canada showing thereon the railway lines. Of course it is only 30 years out of date; but, still, it is there, and it gives a picture of the country.

With the growing interest in the north country, I think something along these lines might very well be done. We could then follow on such a map the important things up for discussion when the estimates are before the committee. I have in mind questions of waterways, highways, air routes, mining developments, areas of population and things of that nature.

Similarly, so long as the department deals with the national parks, a map would be very useful in any discussion of that subject. It would take just a little imagination to offer a display that would attract attention to the work of this department, and I think it would be essential if our north country is to receive the attention it deserves.

I will conclude my remarks by repeating in part the criticism I offered when we were discussing the estimates of the Department of Citizenship and Immigration, when I referred to the report that comes from the committee on estimates. I repeat this, because we find that unless we say things two or three times, no one pays any attention. My suggestion, again, is that if the committee on estimates meets another year and publishes a report, something in the nature of an index should be provided in connection with the report so that members of the house could find readily the information they require, and so that the minister, in his turn, could readily draw the attention of members to that information.

Mr. Thatcher: All I wish the minister to do is to take about ten seconds to answer the question I asked him. I would like to know what the government's policy is in connection with populating our northern country. I would like to know, if we spend the amount of money for which the minister is asking, if we will have any more people up there a year from now than we have today. I, for one, am not satisfied with the growth of our northern country since 1945. I would like to see something done that would encourage a lot more people to move up there.

I do not think I have asked a difficult question. What is the policy? What does the minister propose to do about it? If the department does not propose to do anything, then let him say so. But I do think the minister should answer the question.

Mr. Lesage: Mr. Chairman, I believe the only way we will get more people in the north, as I said in committee—and I was quoted by the hon. member for Greenwood—is to create an economic climate up in the north which will attract people to that area.

Let us not forget that, contrary to the situation in Norway, to which reference was made by the hon. member for Moose Jaw-Lake Centre, our southern areas are not completely settled. In Norway, for instance, most of the timber resources are situated above the 60th parallel. A good part of the fishing in Norway is done above the 60th parallel. There is a pressure of population below that parallel that creates a necessity for the expanding population to go north.

But, as yet, we do not have that in Canada. It is only 50 years ago that real settlement began in our great western territory. The northern parts of the provinces are far from being exploited to their full capacity. It is only natural that the people of Canada, before moving farther to the north, will in that process of going north stop first at those places south of the 60th parallel where they can find some better possible economic advantage. Again, we do not have the pressure that they have in other countries. It is only by creating economic conditions that will attract people that we might expect a great increase in the population of the north. Unless we have a much greater pressure in the south we cannot expect a very large population in the north in the immediate years to come.

We have a population of about 15 million people in one of the largest countries of the world. A few years ago what was Canada but a thin red line of population along the United States border? It is only in very recent years that great thrusts have been made up north in the development of our country. We have had iron ore development in northern Quebec.

Mr. Pickersgill: And in Labrador.

Mr. Lesage: And in Labrador; I am sorry. We have had the development of the Kirkland Lake and Abitibi regions in the northern parts of Ontario and Quebec; we have had the Lynn Lake development; we have had developments on lake Athabasca; we have had the Kitimat development. Well, these are in the provinces. I do not believe that between the 55th and the 60th parallel in the provinces there are proportionately very many more people than there are north of the 60th parallel. It is natural that the population should go up north as the necessity warrants it.

What we have had as developments in the north up to now that have attracted people other than the natives have been the mining developments only. That is where they are. As to other activities, I explained in the committee in very great detail the program of education and vocational training that we have for the natives in order to try to provide them with occupations in the north. I have said that we have prepared plans and we are studying the possibilities especially of improving transportation in the north, because transportation is the key to economic development, as the hon. member for Calgary North and others have said; not only air transportation, but land transportation which is very important for economic development and for the exploitation of the resources of the north. That is the key. But you do not accomplish that in a moment; it takes a certain time.

We started the settlement of the west 50 years ago, and it is far from being completed. That cannot be done in a few months; but I say that we have to see to it that there is transportation to the north at reasonable cost. When I was in the committee I said that we have intervened vis-à-vis the air lines and vis-à-vis the Northern Transportation Company.

Mr. Dinsdale: Not very effective.

Mr. Lesage: A 20 per cent reduction and the freight rates diminished. That has been done since.

I said that we were studying and surveying road construction.

Mr. Thatcher: Before the minister goes on, may I ask one question. The minister said that we have been 50 years developing the Northwest Territories. He mentioned that 130 miles of highways had been built which

[Mr. Churchill.]

is less than three miles a year. Would he consider that that is the kind of development the people of Canada have the right to expect from the government?

Mr. Lesage: I do not know where the hon. member gets the 50 years. Fifty years ago I was not born.

Mr. Thatcher: The minister said we have been developing the Northwest Territories for 50 years.

Mr. Lesage: No. I said we started the great development of the west 50 years ago but it was far from being fully settled yet. I was referring to the western provinces.

Mr. Thatcher: There are still only 130 miles of highways in the whole of the Northwest Territories.

Mr. Lesage: I did not say the Northwest Territories; I said western provinces. Moreover there are much more than 130 miles of highways north of the 60th parallel. There are a thousand miles in the Yukon, sir.

Mr. Thatcher: I am talking about the Northwest Territories.

Mr. Lesage: In the Northwest Territories there is a highway running from Grimshaw to Great Slave lake.

Normally, the means of transportation are those which are the most economic and suit the region best. Up to now the main economic means of transportation in the Northwest Territories have been the waterways, and they are still used to a great extent for heavy freight. As far as other transportation is concerned, it is the airways that are used. But there is a highway from Grimshaw to Great Slave lake, and we are now studying the possibility, following the suggestion made by the hon. member for Calgary North and the hon. member for Mackenzie River, of starting a highway from Hay River or somewhere on the Mackenzie highway to Mills lake farther down on the Mackenzie river.

Mr. Hamilton (York West): Will the minister not admit that the promised reduction in air freight rates came only after the threat of competition to the companies in question? Is that not true?

Mr. Lesage: No, I do not know about that.

Mr. Leboe: I am interested in transportation in the northern part of British Columbia. Would the minister be prepared to use his influence with his colleagues in respect to railway development leading to the north?

Mr. Simmons: The minister just mentioned a proposed road from Hay River to Mills lake. Can he tell the committee what difference that road would make in the length of the navigation season on the Mackenzie river? I believe it would mean a difference of six weeks or longer, would it not?

Mr. Lesage: Approximately one month's difference, we hope.

Mr. Leboe: Has the minister an answer to the question I asked him?

Mr. Lesage: The department does not build railways in northern British Columbia.

The Chairman: Shall the item carry?

Mr. Thatcher: I thank the minister for answering my question. I do not think it was a very good answer.

Mr. Lesage: I do not agree with that.

Mr. Thatcher: Regarding highways, I find that on page 445 of the evidence the minister was asked what highway construction had taken place in the Northwest Territories. I quote from the record. He answered:

> About 130 miles in the Northwest Territories; and in the Yukon—the Yukon is more advanced as you know—over 400 miles, not including the Alaska highway.

The other point I want to make is this: 130 miles after years of development in the Northwest Territories is not a very good record for this government. It is time that they adopted a more aggressive policy on highway construction and other developments in the Northwest Territories.

Mr. Macdonnell: I feel that this matter of populating the country is of vast importance, and I do not feel that the answers that have been given here tonight are adequate. I am sorry to say I have not had the chance to read through all the evidence given before the committee, but I want to say very firmly my understanding is that we are not inhibited in any way from asking questions in this committee of the whole house merely because it has been before the committee on estimates. Our rights are absolutely unimpaired in any way. We should resent it here very much if we are told to be good boys because a special committee has looked at it first.

I want to read from page 538 of the evidence. The minister referred me to page 535, where the report begins. I want to read from the top of page 538, which deals briefly with an aspect of immigration, stimulating of industries:

> Economic development and increased defence activities is already bringing, and will continue to bring, opportunities for employment. At the same time, plans are proceeding for the stimulation of small industries, such as boat building, etc., which I mentioned a few moments ago. The natives will not, however, be able to take advantage of these and other opportunities unless they have some schooling. Primary schooling is the minimum requirement and vocational training is needed by

many. Given the necessary education and training there is no reason why Eskimos and Indians cannot satisfactorily fill many of the jobs in northern Canada which would otherwise have to be undertaken by people brought in from the south, often at high cost.

That seems to me to be a self-destructive paragraph. First of all you say that you are stimulating industry, that the time will come when local people can man these industries. Then you go on to say that it takes a lot of time to do that. Does that mean that you are stimulating industry solely for the purpose of employing people there? Further back, if I remember rightly, you said that people would not go in until the going in was good, until the economic climate was good. It seems to me that there is kind of an impasse there. Are you going to stimulate industry solely for the local inhabitants and hope that what they do will be the means of bringing in other people? That does not seem to me to be very adequate.

I do not want to underestimate the difficulties but it seems to me, with all the unemployment we have, that for us to have people banging their heels down here if there is work to be done up there is most unsatisfactory.

Mr. Lesage: It is too bad the hon. member for Greenwood was not a member of the committee.

Mr. Macdonnell: I am not so sure.

Mr. Lesage: I made a trip to the north last summer and when I came back my deputy, my assistant deputy and I examined the situation closely. Contrary to what an hon. member of your party said, that I know nothing, I really learned quite a bit.

I came back with the conviction that there were two problems in the north. The one is economic, the problem of developing the north so that we can take advantage of the vast natural resources that exist there. I think the way to develop the north economically is to try to create an economic climate which is favourable to the development and exploitation of those resources. The key to that development is transportation.

There is a second problem, a human problem which faces the population up there. This is a most difficult problem. What the hon. member quoted a few moments ago was from the second part of my statement before the committee when I was dealing with the human problem which faces the natives. I dealt more specifically with the economic problem on pages 535, 536 and 537. On page 538, from which my hon. friend quoted, I was dealing with the human problem which faces the natives.

[Mr. Macdonnell.]

I was saying that we have to try to interest the natives in small industries. My expression may not have been the best, but I was referring to small industries and trades, teaching them to be carpenters, for instance. Then if we had to build a school in a community we would not have to import carpenters from Edmonton at great cost.

There was a separation of the two problems in my treatment and at that particular time I was dealing only with the human problem facing the natives.

Mr. Macdonnell: I appreciate what the minister says. No one has anything but the most complete concurrence in the idea of doing everything possible for the natives, but that still leaves the question of whether there is a broader plan for development which can be brought about more quickly than the natives can do it, a plan which would have to be carried out by others.

My leader knows more about this than I do, but my understanding is that the development of northern Ontario was hastened by the operations of the geological survey. That survey did not go out prospecting to discover mines; what they did was to cover the geology of the country and indicate where prospecting might be good. I am not as familiar with that part of the country as the minister, but I assume that there must be huge undiscovered resources up there. I mention this only as an instance of the most fruitful co-operation between a government department and the most private and individual kind of private enterprise.

I do not want to see this item carried tonight, and the hon. member for Moose Jaw-Lake Centre may still have other questions to ask. As I read the questions and answers earlier in the summary I felt that it was still worth while to discuss that all-important point.

Mr. Lesage: The hon. member was dealing with prospecting and geological surveys—

Mr. Macdonnell: I gave that only as an example.

Mr. Lesage: Geological surveys are being carried on in the north in a very substantial way. These surveys come under the Department of Mines and Technical Surveys. They will be carried on this year in the Queen Elizabeth islands. This is called the Franklin operation and was announced by the Minister of Mines and Technical Surveys. Last year there were a number of survey parties around Baker lake, and also considerable survey work was carried out in the Yukon.

This work is going on all the time. My department is not the only department concerned with the north. The Department of

Mines and Technical Surveys sends out its geological survey parties; the Department of Transport has establishments in the north, and of course the Department of National Defence.

What we try to do in my department is to create an economic climate under reasonable terms of expenditure. I am sure the hon. member for Greenwood will agree that we should not go to the extent of creating an artificial development which would be more costly than sound economics would warrant. In order to create a favourable economic climate I said, and I repeat, that the first thing to do is to bring down the cost of operation and reduce the cost of living. We have attacked the problem of transportation costs and plans are under way to provide better means of transportation.

Other possibilities are being looked into, such as the allowance of longer time for depreciating the cost of power plants in the north. There is also one thing that is often thought of, but to which we have not yet been able to give a practical answer: would it be possible to adjust taxes on a basis which would have any relation to the parallel of latitude on which an industry is situated or where an individual lives? My hon. friend could answer that question much better than I could, in view of his experience, but I am afraid that he would not dare to go into that.

The Deputy Chairman: Shall the item carry?

Some hon. Members: Carried.

Some hon. Members: No.

Some hon. Members: Ten o'clock.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, we shall continue with this tomorrow and take post office and agriculture.

It being four minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, May 13, 1955

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

AGRICULTURE AND COLONIZATION—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Rene N. Jutras (Provencher) presented the first report of the standing committee on agriculture and colonization, and moved that the report be concurred in.

Motion agreed to.

MARINE AND FISHERIES—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. T. G. W. Ashbourne (Grand Falls-White Bay-Labrador) presented the first report of the standing committee on marine and fisheries, and moved that the report be concurred in.

Motion agreed to.

HOUSE OF COMMONS

ADOPTION OF CIVIL SERVICE COMMISSION REPORT

Hon. W. E. Harris (Minister of Finance): Hon. members will recall that Mr. Speaker presented to the house two days ago a report of the civil service commission with respect to four members of the staff. I now beg leave to move that the report be adopted.

Motion agreed to.

POSTAL SERVICE

ALLEGED SMUGGLING FROM FAR EAST THROUGH ARMY MAILS

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): May I direct a question to the Minister of National Defence, notice of which I have sent him. Has the minister's attention been called to an article in the Vancouver *Sun*, alleging that goods are being smuggled into Canada from the Far East through the army mails? Can the minister also say what exemptions from customs duties are granted to service personnel?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I should like to thank the hon. member for having given me notice of his question. The hon. member for Vancouver East (Mr. Winch) also gave me notice of a similar question. I have seen a copy of the rather, to me at least, astonishing article to which the hon. member has referred.

In reply, I would like to say that it has been our policy to investigate immediately and thoroughly any report of alleged irregularities of whatever kind, and from whatever source, even though, as I indicated to the house in the answer which I made to a question on April 18, many of these reports are later found to be either without foundation or greatly exaggerated.

With regard to the specific matter to which my hon. friend has referred, I may say that the report of rumoured abuses in the army postal service in Vancouver came to my attention early this week. While I was not given any actual evidence of the truth of these rumours, I nevertheless immediately ordered an investigation, which is at present in progress. So far nothing has come to light to indicate that there is any truth in these rumours.

As hon. members well know, postal investigations are most effectively carried through when the parties involved are unaware of the inquiry, and I can only hope that the effectiveness of this particular inquiry will not be prejudiced by what appears to be a particularly highly coloured and as yet unsubstantiated newspaper story.

With regard to the hon. member's second question, I understand that if a soldier has served abroad less than a year he may bring back $100 worth of goods free of duty. If he has served for a year or longer there is no limit on the amount he can bring back, but it must have been purchased at least six months prior to his returning to Canada. This applies no matter where the service abroad has been, whether in the United States, the Far East or Germany. I think it is covered by items 703(b) and (c) of the tariff act.

Mr. D. S. Harkness (Calgary North): May I ask the minister a supplementary question. Has he any information as to the nature of the goods alleged to have been smuggled and do they include narcotics and things of that sort?

Mr. Campney: I have no detailed knowledge as to what goods are alleged to be involved.

The article to which reference has been made contains the only reference to narcotics which I have seen.

[*Later:*]

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Acting Postmaster General, notice of which I have not sent him. In view of the reply made a few moments ago by the Minister of National Defence (Mr. Campney) with regard to tampering with the mails, is the Acting Postmaster General prepared to indicate that the Post Office Department will carry on an investigation?

Hon. J. W. Pickersgill (Acting Postmaster General): I think I will let my colleague carry on his investigation.

NATIONAL REVENUE

ALLEGED RELEASE OF INFORMATION—REQUEST FOR CONSIDERATION OF ESTIMATES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance in his capacity as house leader? Will the minister arrange for the estimates of the Department of National Revenue to be referred to the special committee on estimates or to be brought before the house at an early date so that the Minister of National Revenue (Mr. McCann) may be able to make a full statement and answer any questions about a certain affair?

Hon. W. E. Harris (Minister of Finance): The business of the house will be organized in such a manner that I hope we will be able to get out of here before July 1.

GRAIN

WHEAT—SUGGESTED ACCEPTANCE OF OTHER CURRENCIES IN PAYMENT FOR EXPORTS

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce, and I am sorry I did not give him prior notice. In view of the serious drop in export sales of Canadian wheat, will the government consider accepting soft currencies in payment therefor from countries willing to buy Canadian wheat under that condition?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, there is no drop from last year in the sales of Canadian wheat; as a matter of fact we are well ahead of last year. We believe that our policy of selling for dollars is the proper policy for Canada. I know of no reason why we should sacrifice wheat which is the property of the producers of western Canada for the sake of the odd few sales we might get if we accepted a different currency.

COAL

NOVA SCOTIA—INQUIRY AS TO ACTION TO ASSIST INDUSTRY

On the orders of the day:

Mr. A. J. MacEachen (Inverness-Richmond): I should like to direct a question to the Minister of Mines and Technical Surveys. In view of the closing of a coal mine in the town of Inverness, Cape Breton, in April, and the now imminent closure of 1-B colliery in Glace Bay, can the minister tell the house whether any steps are contemplated by the government to halt this deterioration in the coal industry of Cape Breton island?

Hon. George Prudham (Minister of Mines and Technical Surveys): Mr. Speaker, at the time of the dominion-provincial meeting Premier Hicks of Nova Scotia and other officials of his government met in my office on two different occasions to discuss the problems of the coal industry. At one of those meetings my colleagues, the Minister of Labour (Mr. Gregg) and the Minister of Public Works (Mr. Winters), were present. There were no conclusions reached at either of those meetings but the whole problem of the industry was discussed, more particularly the problem of 1-B colliery.

There was a subsequent meeting between officials of the dominion coal board and the Dominion Coal Company to review the market prospects for this year. Premier Hicks of Nova Scotia has called another meeting for May 20 in Halifax to which I have been invited, and I believe also that my colleagues the Minister of Labour and the Minister of Public Works have been asked to attend as well as the chairman of the dominion coal board and other officials. I do not know what the agenda of that meeting will be but I expect that the problems of the industry will be discussed.

AVAILABILITY OF REPORT OF DR. A. G. CHRISTIE

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, may I ask the Minister of Mines and Technical Surveys if he will make available to members of the house the report of Dr. A. G. Christie to the dominion coal board which was made last September and released to the press in May.

Mr. Prudham: I was not aware that the report had been released to the press. It was made available to the provincial governments

concerned and at their request we were withholding publication until they had had a chance to study it.

Mr. Gillis: Is it possible for a member of the house to get a copy if he requests it? It was given to the press.

Mr. Prudham: I shall be pleased to give my hon. friend a copy.

VETERANS AFFAIRS

VETERANS ALLOWANCE—REGULATION PASSED UNDER SECTION 4

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs, notice of which I have sent him. Have regulations under section 4 of the War Veterans Allowance Act been issued recently whereby the payment of the allowance at 1/25 per day has been cancelled and payment for days not worked on an income basis substituted?

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, I believe the hon. member is referring to one of the regulations passed in 1952 after the War Veterans Allowance Act was amended to bring in section 4. This regulation was based on the formula used by the unemployment insurance commission, but in the course of administration of cases coming under this regulation it was found that this formula could create overpayments under the War Veterans Allowance Act inasmuch as it could cause a veteran to be paid an allowance in excess of the permissible income in any month under section 4. When this was realized the formula was amended to meet the situation.

Mr. Pearkes: When was the amendment made?

Mr. Lapointe: I believe it became effective April 4, 1955.

DEFENCE PRODUCTION

A.V. ROE PLANT—INQUIRY AS TO PLANS TO MAINTAIN EMPLOYMENT LEVEL

On the orders of the day:

Mr. John B. Hamilton (York West): Mr. Speaker, I should like to direct a question to the Minister of Defence Production. Can the minister give the house any indication as to whether his department has any new plans for government orders for the A.V. Roe company which will help to maintain the employment level at that plant?

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, I am unable to understand what my hon. friend means by further orders. My recollection is that we have orders with the A.V. Roe plant running into more than $300 million. Employment at the plant depends upon the management and the rapidity with which they are able to get into new production. There is no lack of orders at the A.V. Roe plant.

Mr. Hamilton (York West): May I ask a supplementary question. Does the minister have any knowledge of any step-up in production which will help to maintain employment?

Mr. Howe (Port Arthur): That is a very difficult question for me to answer. I think production at the A.V. Roe plant is handled efficiently by the management. This is a privately owned plant and I do not think I am in position to answer further.

PRAIRIE FARM REHABILITATION

ASSINIBOINE RIVER—INQUIRY AS TO RESPONSIBILITY FOR DIKES

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I should like to ask the Minister of Agriculture if he is in a position to state to what extent the prairie farm rehabilitation division is responsible for the maintenance and repairs to dikes along the Assiniboine river in Manitoba.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the position has always been—ever since confederation, I think—that the federal government has been responsible through some department for the handling of streams which are navigable. The Assiniboine river has been classed as one of those streams. Until two or three years ago that was handled by the Department of Public Works. Two or three years ago it was transferred to P.F.R.A. under the Department of Agriculture. As I said the other day, the lands are largely privately owned. They are in municipalities, and our people co-operate with the local people in handling the situation which exists.

SUPPLY

The house in committee of supply, Mr. Applewhaite in the chair.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

293. Departmental administration, $509,310.

The Deputy Chairman: I might remind the committee that this heading is to be found on page 50 of the blue book, and the details begin on page 397.

Mr. Drew: Mr. Chairman, the items that we are dealing with under this heading relate to the most challenging prospect that Canadians have before them today. While all of the area known as the north may not be under the administration of the minister of this department, we must always be conscious of the fact that well over two-thirds of the land mass of Canada is in an area that we may freely describe as "the north". The phrase "the north" is a variable term. For a long time North Bay has been regarded as the gateway to the north in Ontario; and yet North Bay is far south of Edmonton, is only about the same distance north as the city of Quebec, and by the standards of those who live in the prairie provinces could hardly be regarded as a northern city by any accurate description. While it may not be easy to define the actual area that we would describe as the north, I believe that we may generally regard it as the area above the substantially settled communities across Canada. The north stretches from Labrador across to the Yukon and embraces all that great territory up to the Arctic ocean.

There has been evidence that the minister has shown considerable interest in the activities of his department, but certainly I was not only disturbed, but amazed to hear the attitude of the minister summed up in the words that there must be jobs in the north before the people will go there. It is that statement, and the fact that the minister apparently continues to accept that as a definition of his opinion, that impel me to make these remarks which I now propose to make while we are in committee, in regard to the affairs of this department.

The north in Canada now represents the great challenging area of development. It seems to me that the approach to the development of the north must be the same kind of approach as that which inspired our forefathers to extend railway lines across Canada, and build canals at a time when there was apparently no shipping to justify that immense expenditure for those days. Think of the imagination and the faith in the future that was represented by those who constructed the Canadian Pacific Railway. Think of the courage and the willingness to pledge the credit of Canada for the future of Canada that was represented by the decision of the government of Sir John Macdonald in 1881 to make the necessary arrangements with the company which was to build that great line across this country. Just let us recall—and particularly let our youth today recall—the vision of the men and women of those days.

The western territories were largely populated by roaming Indian tribes and by great herds of buffalo. As the Canadian Pacific lines were driven west, the builders were confronted with attacks by Indian tribes, and they were also, I might say, confronted by very severe attacks from some of the people who did not like to see their land used for that purpose, people who expressed their feelings with some vigour. But this line was driven across Canada, not because there were jobs there but because it was felt that with the resources across that great territory this railway development would create the possibility of jobs. Then it was left up to the initiative, courage and vigour of men and women with adventurous spirit to go out and make the jobs in the area, that vast area where transportation had been made available in that way.

Let us come to a later period, the thirties, when the expansion of northwestern Canada was taking place. Surely one of the most romantic chapters of Canadian history is the opening of the mineral and fur-bearing areas of northwestern Canada by air transport. It happens that I had the privilege, first, of visiting many of those far northern areas as a youngster. But later, some 20 years ago, I flew through most of that great territory from the Atlantic to the Pacific in those single-engined machines which were at that time carrying the largest freight load carried by any country in the world—surely something of which Canadians have reason to be proud today. It stirs the blood when you look back at those bush pilots who were carrying in those comparatively light Fairchilds, Fokkers and Junkers this immense load, greater in total than the total air freight load of the United States or of any other country in the world. That opened up the mining areas of Slave lake and Great Bear lake. It opened up the territories along the Mackenzie river, over to the Yukon, across to Hudson bay, and on, eastward, right over through the whole of northern Quebec and Labrador. What a challenging picture to the youth of today! Those men did not have jobs waiting for them there; they made the jobs. They reached out to the new territories and they created the possibilities of jobs with the transportation they themselves were supplying. It seems to me that this is the spirit in which we must approach this immense opportunity, this almost unlimited opportunity, which has opened out before us across this whole northland of ours. We are not speaking about some vague and uncertain thing. Across that whole area are resources such as are hardly equalled either elsewhere in Canada or elsewhere in the world. Sometimes I find that people who actually were not born and brought up here seem to see some of these things more clearly than we ourselves do.

I recall that it is more than 25 years ago—yes, nearly 30 years ago—when in a speech in Toronto the Right Hon. L. M. S. Amery made a statement which at that time seemed to me to be almost beyond the realm of reality, namely that in the great Pre-Cambrian shield and the northland generally of Canada there was mineral wealth yet to be discovered beyond anything discovered in any other country in the world today.

The time came when I saw some of that reality. I remember flying into the uranium discovery at Great Bear lake in the early stages, just after it had been opened up. That discovery had much to do with the ending of the Japanese war and, perhaps some of us might say, with all the terrible consequences that have flowed from the discovery made possible by the use of Canadian uranium at that time. But also in that area, as is known by everyone who has been there, there are fantastic deposits of silver, copper and other metals waiting to be developed. Yes, and throughout the whole north, there is iron in quantities equalled nowhere else in the world today. There is oil as well and gas in that far northland, as distinguished from the gas and oil of the southern areas. There is coal and above all there is waterpower. Every one of the great sources of industrial energy is there in that vast northland starting with the huge falls on the Hamilton river on the east coast of Labrador, right across to the mighty waterways of the Yukon and of the Northwest Territories. The possibilities for development are simply staggering. One of the rather remarkable affinities of nature is the fact that almost invariably the minerals are found in proximity to waterpower which can be turned into electric energy. There is lead and there is zinc as well in those areas.

To show that this is by no manner of means some vague and uncertain thing, may I say that the Consolidated Mining and Smelting Company have 1,200 claims in the Pine Point area and are actually going ahead with underground work as soon as it is practical. Throughout the whole of that broad northland the challenge is there to all Canadians and to the young people from other parts of the world as well as to the people not so young but who are young in spirit. I know my hon. friend will share that view because he is indeed young in spirit himself.

One could go on to deal with these great opportunities. I have not mentioned nickel or some of the other metals that are found in such great quantities there. On the Mackenzie river, near Fort Good Hope there is a vast power potential. On the south Nahanni river there is Virginia falls, a waterfall twice as large as Niagara. On the Lockhart river at the east end of Great Slave lake there are enormous power resources. At Dead Man's rapids on the Slave river near Fort Smith there is a drop of 110 feet in ten miles, with a huge power potential. Power is also being developed in great quantities at Yellowknife for the operation of the mines there.

This is not without its accompanying resources as well because there are agricultural resources in those areas. Actually, the Mackenzie river plain is an extension of the prairie land of Alberta and Saskatchewan. Also there is wood in marketable quantities throughout that area. Along the Slave river, the Mackenzie river and the Liard river areas there are wonderful possibilities for agriculture. Things grow there rapidly in the long days of sunlight. Those who have been through that area also recognize the fact that, apart from the magnificent growth of food and vegetables, nowhere else in Canada are there flowers of such great brilliance and increasing in brilliance right up to the Arctic, from Aklavik right across to Coppermine, which is to the northeast, and to Hudson bay.

All this calls for unlimited optimism. All this calls for basing our plans upon the practical foundation of demonstrated hope that these things can become a reality in the years ahead. If we had waited until we saw the jobs or, shall I say, if our forefathers had waited until the jobs were there, the prairies would not have developed nor would the areas farther north to which branch lines from the Canadian Pacific railway have been extended. In Ontario, if the Ontario Northland Railway in the earlier part of this century had not been built up to James bay through an area which was still wild and where there was no real development at all at that time, the rich part of northern Ontario perhaps would still be in a primitive state today. But transportation was provided which made it possible for men and women of spirit and initiative to go there and to make jobs.

It seems to me, Mr. Chairman, that this is not something to be left to reckless or haphazard development. We all know that mineral resources are wasting resources. We know that if there is inferior or inadequate transportation, only the richest ores will be highgraded and that promising mines will be left in a condition that may hardly make it economic for years to come to resume development. It is therefore important that under a free economy—and certainly under no shackles of socialism—we provide sensible plans, recognizing these vast potentialities, which will integrate the development with

the resources and will provide the transportation into the areas where, by one means or another, these vast power potentials are going to be developed.

Without embarking on any acrimonious reference to an earlier discussion about what was known as the public investment program may I suggest that, to the extent that the government still feels that the credit of Canada should be pledged to a national development program, there is no place where this can better be done than throughout that northland where millions of horsepower of electric energy are waiting to be harnessed for the advantage of new generations if we place the credit of Canada behind that development.

I have heard it said that we must not be reckless in expenditures. As a Conservative, I trust that we shall be conservative in our approach to the handling of our finances in this respect. But, Mr. Chairman, there is a difference between spending money on capital development and spending money, on which there is no return, on some passing phase of our activities. This is capital development of the most valuable kind from which the returns will be not tenfold but one hundredfold in the years ahead in the communities that will grow there in that great northern area. That is a place in which to try out plans for development.

Then, Mr. Chairman, there is another aspect to this matter that I think we have perhaps overlooked, namely national defence. We have two-thirds of the land mass of our country with a sparse and limited population. It is of vital importance to the defence of Canada that communities be established near these power resources under an integrated plan right through the whole of northern Canada. Let no young person shudder with the thought of cold and worry about the prospect of going into the northland. About ten days ago a number of members of the house visited the military establishment at Churchill. Every one of them came back enthusiastic about the conditions under which the people were living at Churchill. I am confident that the minister, in giving the population of the northern areas, has not included the military establishments.

Mr. Lesage: Churchill is below the 60th parallel. It is in Manitoba.

Mr. Drew: I realize that, and I indicated that I realized that. Quite apart from the arbitrary definition, I am talking about the great northland and not only the Northwest Territories.

Mr. Lesage: I am not quarrelling with you about it.

[Mr. Drew.]

Mr. Drew: I realize that the area under the immediate administration of the department and the Northwest Territories council, whose jurisdiction has been greatly expanded within the period that the minister has been the head of the department, starts at the 60th parallel. In the same way that North Bay is not really north, as I pointed out, there is also a lot of land south of the 60th parallel that most of us would regard as very far north indeed, and most of us definitely regard Churchill, halfway up the coast of Hudson bay, as very far north by ordinary standards. That was what I meant when I said that the word "north" is a broad, embracing term which includes within it the defined areas beginning at the 60th parallel. What I really wanted to point out with regard to Churchill was that in an area that is cold by any standards and in fact, I understand, is inclined to be a little colder than even the Arctic coast, those who live there find it healthy and invigorating, and I have had reports from young men there who believe they are in the very best military establishment in the whole of Canada. It is always a good thing for people, wherever they are, to believe they are in the best military establishment.

I mention that because it is only indicative of what is happening. Right across the whole northern part of Canada, without going into details that should not be placed on the record, there are air bases and radar bases which today embrace a substantial population. There is already a population there living perhaps not with all the amenities of the deep south of Canada but nevertheless living a vigorous, healthy and, to them, an invigorating and rewarding life. I mention that because if military bases can be agreeable places to live in, then civilian bases organized on a similar plan, such as would surround great hydroelectric developments producing 500,000, 1 million horsepower, and so on, would be similarly attractive places for people to live. After all, there were many people who found the Yukon and Dawson City a very pleasant place in the early days and not entirely as primitive as described by Robert W. Service in his wonderful poems. There are many members of the Royal Canadian Mounted Police and of other Canadian services who have found service life pleasant throughout the northland. But it would be very wise for us to make sure that with the development of these natural resources we have communities spotted across the north, because the real threat to Canada might come from parachute troops dropped over that northern area. Airports

should be developed all across the area farther south of the northern air and radar bases where appropriate steps could be taken to deal with a situation of that kind.

This is a reality if the danger of war is a reality at all. If we are spending over $2 billion with the recognition of the real danger of the possibility of war, then we must recognize the existence of the possibility of war and we must remember that the closest nation to Canada with the exception of the United States is Russia. We must remember that Russia is separated from the North American continent only by the Bering strait, 55 miles wide, and that northeastern China along the Yalu river is not many hours flying time from northern Canada in modern transport machines. While all of us hope and pray that war may not come, we cannot disregard the promise made yesterday by Chou En-lai that in the event of war China would stand side by side with Russia. We therefore see on the other side of the Pacific over 700 million people from whom units can be drawn that might be moved by air into that area.

This is a part of the problem of national defence. I mention it because it was said: You are not going to spend money on a large scale in the north. Money spent there should be regarded first of all as long-term self-liquidating returnable capital and, second, it should be regarded in the light of its value to national defence. I do not intend to enlarge upon these remarks beyond repeating my conviction as one who has seen that area grow from the most primitive stage, when on the north coast there were only Eskimos, the R.C.M.P. and the wireless stations, to the point where it has become integrated fairly well into our society through air development.

Let us look ahead. I would not suggest railway facilities, but there are roads. There is also the fantastic development in air transport. Last September at Farnborough I saw one of the new Blackburn transports take on board and carry away a huge truck. I saw two complete 25-pounder units with ammunition wagons go into one of these Blackburn transports, and saw them flown away. I mention that because we have reached the point now where nearly anything that can be moved by rail can be moved by the huge air transports now being produced. This development has revolutionized the whole prospects of the north. We should have no limit to our optimism and our hopes for that area. I trust that the plans of the government will be consonant with the spirit of the people of Canada and that when we say "go north, young man, go north" we will not tell him there is going to be a comfortable job ready and waiting for him but that we will take steps that will assure that his vigour, initiative and courage can be rewarded by opportunity.

Mr. Lesage: Mr. Chairman, I wish to thank the Leader of the Opposition. He has made the kind of speech I should like to make and have made on occasion about the development of the north, a challenge and necessity in our day. The Leader of the Opposition has made a comparison that has been made in the past, and which I have used, between the west of 50 years and more ago and the north today. It is true that when the Canadian Pacific Railway was built through the west it meant for the people of that day the meeting of a great challenge. It was constructed at a time when there was a population of about 4 million in Canada and the national income was very low compared with what it is today. Our forefathers, even our fathers, certainly took risks at the time, met the challenge, and the west was opened because transportation was furnished.

I said yesterday that the key to the economic development and opening up of the north is cheaper transportation. That is what brought about the development of the west. But there is a difference between the opening up of the west and the opening up of the north in this sense, that our forefathers, our grandfathers, could go to the west with this new means of transportation, open up the country and settle on farms with no more than their bare hands. This is not the kind of development that we can expect north of the 60th parallel. It will be mainly mineral development. Mineral development requires capital investment in huge quantities. It requires also, and I repeat it, cheaper transportation.

As I said yesterday, we should first create an economic climate that will be attractive to capital. In order to help do that the Department of Mines and Technical Surveys is conducting intensive geological surveys. We are studying now the possibility of improving transportation facilities in the north and of making it cheaper. We believe that we have to provide cheaper transportation, as was done in the west, in order that the north may be developed and populated. The populating of the north is not a primary aim in itself; it is, in point of time, secondary. Really, it comes after the necessary provision for the development of the immense natural resources to which the Leader of the Opposition so eloquently referred.

Well, making provision for that development is what we are doing, and I pray to

God that this generation will have the same spirit of adventure, the same pioneering spirit that our fathers and forefathers had. With that spirit we can develop these northern parts that have to be developed. The day is near when the resources of northern Canada will be badly needed in the world, especially the mineral resources. But so far as transportation is concerned, although I have great confidence in aviation I cannot foresee the day—although it may come sooner than I think—when the huge air transports to which the Leader of the Opposition was referring could be used economically for the transportation of mineral concentrates from the north to the smelters. Of course, one could say that we should build smelters up there; that we have the power. It is true that we have the power but these are very costly operations.

For instance, in the case of the Pine Point discoveries on the south shore of Great Slave lake, there lies there what we believe to be the greatest known ore body of lead and zinc. We hope that the Consolidated Mining and Smelting Company will soon see fit to have definite plans for the development and exploitation of this vast ore body. We hope that it will be possible to work out with them some kind of arrangement under which transportation facilities will be available to take out the ore. I have said, both outside the house and in the committee, that we hope it will be possible in days not too far off to have what is still the cheapest kind of transportation for distances of 300 or 400 miles or more, and that is a railway line from Grimshaw to Pine Point. We have been discussing, and still are discussing, the economic implications of such a project.

We look at the north, as the hon. Leader of the Opposition has said, and I thank him for his intervention, as something that has to be developed, not in a haphazard way but with plans. The plans must be directed not so much towards putting people there for the sake of putting people there, but towards exploiting the resources. We should first have capital which will go there because the economic climate will have been created by cheaper transportation. Then, these natural resources will be developed and manpower will go there because the capital investment which is necessary will have been made. Then, the population will go there, and I am sure that the population will be happy because in Whitehorse, Yellowknife and even far north in Aklavik I have met and talked to people who were very happy with their lot in life. The north presents a great challenge to all Canadians, and I hope that all hon. members in this house will help the government, will help me and the officials of my department, to meet that challenge in the national interests.

(Translation):

Mr. Dufresne: Mr. Chairman, we have just heard two interesting speeches, to which I, for one, have listened most attentively. I wish to congratulate my leader, the Leader of the Opposition (Mr. Drew), as well as the Minister of Northern Affairs and National Resources (Mr. Lesage) on their eloquent pleas on behalf of northern Canada.

Mr. Chairman, the Quebec battlefields commission, about which I would like to offer a few remarks, comes under the Department of Northern Affairs and National Resources.

Last year, while we were discussing these estimates, the minister asked the house to increase from $100,000 to $125,000 the annual amount which the commission uses in its operations. The house unanimously agreed to this request from the minister.

This year, according to the estimates, the same amount seems to be required. A year ago I appealed to the minister to see to it, if it were at all possible, that this $25,000 increase be used to increase the salaries of the employees of this commission, who, as far as I can see, do not receive what they possibly could earn elsewhere, in trade or industry. The minister told me he would pay particular attention to this request. Now, I would not like to be accused of narrow-mindedness, and I do wish to render unto Caesar what is Caesar's, but following that, I received other requests. It was pointed out to me among other things that one employee in particular, who had been working for the commission for 16 years, was only being paid 99 cents an hour, whereas others doing the same work were earning considerably more. I took up the matter with the Minister of Northern Affairs and National Resources. It was he who spoke for me, and indirectly, for the employee in question. I am happy to tell the house that in this one case which I took up with the minister, we received full and complete satisfaction. I do want to thank the minister for doing what he had resolved to do, and I hope that other such increases may be granted during the 1955-56 fiscal year.

I am sure the minister will agree with me when I say that certain employees, whether employed on a temporary basis, for the summer season only, or on a permanent basis, are not getting salaries consistent with the

work they perform. Here again I trust that the minister's sense of fair play will induce him to get for these employees the salary they deserve.

I understand, Mr. Chairman, that the Quebec national battlefields are to undergo a certain restoration again this year. These battlefields are an historical site unequalled, I think, in North America, if not in the world. We have there a page of history which our people like to relive now and then and which other people want to see.

The Quebec national battlefields represent also a substantial source of revenue for our city. As a matter of fact, these battlefields alone constitute an industry, a tourist industry, if you like, but which is bringing us visitors from everywhere. In Quebec City, we often say, referring to tourist advertising, that they come to our city in order to see what is not to be seen anywhere else. This is very true. City people are not interested in visiting big cities. They are looking for something new, and that is what we have to offer; the Quebec national battlefields are most interesting for those who are visiting the city of Quebec.

All tourists from overseas land in Wolfe's cove—a magnificent harbour built by a Conservative government at the request of one of my distinguished predecessors, the Hon. Maurice Dupré—and head straight for the battlefields.

The hon. minister was so kind as to tell me the other day that repair work will be done on Gilmour Hill road, which leads to the battlefields, and has regrettably suffered during our hard winter.

I trust, Mr. Chairman, that the funds we are going to vote for this commission will be reasonably spent and, again, I hope that the hon. Minister of Northern Affairs and National Resources will speak to the members of the commission on behalf of the workers who are paid low salaries and obtain for them decent wages, which will enable them to face their family obligations.

Mr. Chairman, a moment ago, the Leader of the Opposition, the head of the party to which I belong, made a most interesting statement about our northern regions and more particularly about the region where one of the most important of our military camps is established, i.e., Fort Churchill. I had the privilege recently of visiting that northern establishment as well as several settlements in Manitoba. I wish to take advantage of this opportunity to thank the Minister of National Defence (Mr. Campney) for the chance he gave many members of the house to visit that part of our Canadian north. I would be remiss if I did not also thank the member for Churchill (Mr. Weaver) who at all times did all he could to make that trip a memorable one.

Apart from the military, we met, in The Pas area, various people engaged in public life. The mayor of The Pas, the president of the board of trade, people belonging to various social organizations asked us to support their representative in the House of Commons in his requests to the government that the northern regions be given particular consideration since they hold untold riches which constitute a source of immense wealth for the entire country. We saw for ourselves the mineral resources of the area, which constitute a major asset in the development of the whole country.

I consider it a duty to acquaint the minister with the result of my observations. It would be wise to pave the way for future generations through the development of the untold riches Providence has given us.

Mr. Chairman, those were the remarks I wished to make and I hope the minister will consider them favourably. I am sure—and I stress this point—that he will champion the rights of the present employees of the national battlefields commission in order to obtain for them a noticeable increase in pay so as to enable them to face their family obligations and remain excellent and honest servants of the entire country.

Mr. Lesage: Mr. Chairman, I am very grateful to the hon. member for Quebec West (Mr. Dufresne) and he can be assured that I shall call the attention of the chairman and the other members of the national battlefields commission to his remarks pertaining to the wages paid to their employees.

I am glad that he had a wonderful trip to northern Manitoba, but I must point out to him that the development of mineral resources in northern Manitoba obviously comes under the jurisdiction of the provincial authorities of Manitoba. The Department of Northern Affairs and National Resources has no jurisdiction whatever in the matter, since its authority does not go beyond the natural resources of the Yukon and the Northwest Territories. Now, as I

pointed out to the Leader of the Opposition (Mr. Drew) a few moments ago—

Mr. Fulton: What about British Columbia—

Mr. Lesage: The Northwest Territories start at latitude 60°, and Churchill is south of that latitude.

Mr. Dufresne: During my trip I learned that Churchill is at about latitude 58°. Will the hon. minister permit a question? Does the federal government not directly or indirectly subsidize the government of Manitoba with regard to the development of resources in that province?

Mr. Lesage: We have a financial agreement with the province of Manitoba. Moreover, there are gold mines that are being subsidized under the Emergency Gold Mining Assistance Act, which is administered by the Department of Mines and Technical Surveys.

(Text):

Mr. Herridge: Mr. Chairman, the members of this group have always been particularly interested in the conservation and development of our natural resources and on that account we are very interested in the estimates of the Minister of Northern Affairs and National Resources. I have read with great care the minutes of the proceedings of the committee on estimates for the period when it was dealing with the minister's department, and I found there a lot of valuable information. I do not intend to take up the time of the committee in asking questions which were answered as a result of the discussions in the committee.

The visit which the minister made to British Columbia was greatly appreciated by the persons he met. It indicated an interest on the part of the minister and a desire to see things at first hand and discuss them with his officials on the spot. I think that is to be commended. I have been asked by a number of organizations in Kootenay West to extend an invitation to the minister to visit our district and endeavour to address at least a few meetings. There are many problems in my constituency about which the people are greatly interested. I hope he will find time during the coming recess of parliament to visit the constituency and see the many things we have to show and listen to what my constituents will have to tell him. I am sure that as a result of contact with my constituents he will have even a greater understanding of the problems they face and the difficulties they encounter.

[Mr. Lesage.]

In my opinion the minister through his department holds the key to the promotion and conservation and development of our natural resources. He is in a strategic position in my opinion to give a lead by this understanding of these problems and the necessity for the proper development of our resources, finally resulting in a national policy of soil, water and forest conservation.

The minister's activities to date have clearly indicated his interest in the conservation of our natural resources and their proper development, particularly the water resources of the Columbia. I have had a number of letters from constituents who had noted with interest the minister's attention to that problem which is so important to many people in Kootenay West.

Under this first item I want to make a few suggestions to the minister which I believe come within the ambit of administration. I do not intend to speak at length. In my opinion a satisfactory development of a conservation policy in this country demands public understanding, public appreciation, public interest and public support. I think in this field of government activity knowledge on the part of the public is essential. It has come to my attention from time to time that many Canadians are unaware of the work being done by the various branches of the minister's department and the relationship of that work to the development of our natural resources and their conservation.

I suppose it would be correct to say that the national parks branch of the minister's department is the best known. A great number of Canadians know about our national parks, but even that best known branch is not known to many Canadians.

The engineering and water resources branch is doing a work of immense value but few Canadians realize the value of this work and the extent of the investigations being carried on on the Columbia and other river systems and in other places in Canada. Large-scale investigations have been going on in my constituency for some ten years but still there are many people who are uninformed as to this work and its value and place in the final development of the water resources of our area.

I have had this matter in mind for some time because I see the great need for doing something along the lines that I am about to suggest. In my opinion there is a necessity, particularly in the minister's department, for

greater public relations activity so that the public may be fully informed of the work of the department and its various branches. I suggest that this could be done by means of frequent press releases to the newspapers and national magazines and through other publicity media.

It could be done also by the minister and his senior officials making occasional addresses. I would not suggest that the Minister of Finance would get a hearty welcome if he were to go around addressing farmers on taxation, as that is not a popular subject. But this is one case where I think there is an opportunity for the minister to address public bodies, because the work of this department is quite popular and I am sure people would appreciate hearing from the minister and his officials.

The northern affairs branch has greatly increased its activities in recent years. I listened with interest to the remarks of the Leader of the Opposition. There is a growing interest in the development of the northern parts of Canada. I do not think it is quite fair to suggest that there has been little done in the development of the north. I have been perusing the estimates for the last five or six years and, if my calculations are correct, since the hon. member for the Yukon came to this house—I see him in his seat—expenditures in the Yukon have increased about fifteenfold.

Mr. Simmons: I would remind the hon. member that the member for the Yukon looks after his constituents and takes good care of them.

Mr. Herridge: I am pleased to hear the hon. member take some credit for the great increase in expenditures in the Yukon. Other hon. members take great care of their constituents, but quite often not with such satisfactory financial results. But I do mention the fact that there has been a large increase in expenditures in the Yukon which I think indicates an increasing interest on the part of the government and the minister's department in the development of that and other northern areas.

Here again there is a great lack of understanding and knowledge with respect to northern affairs by the great majority of Canadians. I suggest that this is another opportunity for the public relations branch of the minister's department to do something to inform Canadians to a greater extent about this important part of his administration.

I have been a lumberjack for a good many years. I made my living from a combination of farming and logging. Therefore I am particularly interested in the work of the forestry branch of the minister's department. The behind-the-scenes work of the men in the forestry branch of the minister's department goes almost unrecognized by the majority of Canadians, and I have always rather resented that. It is recognized by those who are particularly concerned with what they are doing or particularly wish to follow it; that is, some of the people in the universities, some of those in the larger lumber companies, and a few other people who are particularly interested in the development of conservation policies and matters of that sort. But the work of that branch goes largely unrecognized by the majority of Canadians. The research work conducted by the forest products laboratories in Vancouver and Ottawa and the other activities of the branch are almost unknown to the Canadian people generally.

I suggest again, Mr. Chairman, that this excellent scientific work and investigation and its results should be publicized to a greater extent through the press, through national magazines and through any other media that the minister saw fit. I suggest that, if we are going to obtain an understanding of the development of our natural resources and an appreciation of what they mean to Canada at the present time and in the days to come, we have to disseminate more information. We have to get the cooperation of a much wider group of Canadians. I suggest that the minister would be well advised to keep agricultural organizations, labour organizations, women's institutes and women's national organizations informed, and also to keep all the universities informed and find some means of bringing this information to the attention of the schools across Canada. I have great faith in getting this sort of concrete, definite information regarding government policies and actions with respect to natural resources brought to the attention of the children. I believe that the question of the conservation and development of natural resources should be brought to their attention beginning just after the primary grades in the public schools of this country.

An informed public opinion will develop increasing support for larger expenditures on policies designed to conserve our natural resources. Therefore I suggest that the minister will be well advised to explore all suitable avenues through which he can properly inform the public of the important work of his department and what that work means to this country. There is no real protection for our natural resources except that protection which is based on the strength of an informed

public opinion and an aroused public conscience. In that connection, I should like to bring to the minister's attention and to the attention of members of this house a most interesting article which I recently read in the May 14 issue of *Saturday Night*. This article was written by Mr. Roderick Haig-Brown, who has been a great advocate of conservation policies in British Columbia for many years. The minister may know this gentleman. He has been a great defender of our provincial parks, our forest resources and our natural resources against the continuing intrusion of industrialism into our province. This article is entitled "The Vanishing Parklands and Public Conscience". I am going to read only the concluding paragraph of the article, because I thought he put in excellent language and in brief form a sentiment that should be supported by all members in this house. This is what Mr. Roderick Haig-Brown has to say in concluding this article:

> But there is, ultimately, no real protection for parks except in the strength of public feeling. So long as the public turns and bows three times in the direction of the nearest stock exchange at every mention of "progress" or "industrial development", provincial legislatures can be depended upon to make mad decisions about parks,—

I should like to bring to the attention of the house, and I am very happy to say this, that the public of Kootenay West did not bow three times in front of the stock exchange at the mention of a prospective industrial development. Then he goes on to say:

> —and even the federal government will bear watching. There will be hope of a comprehensive and secure parks system in Canada the first time a labour union votes to down tools because a project threatens a park, or the first time an aroused citizenry mans a picket line in defence of a park. Sooner or later both these things will happen. But in the meantime the parks are disappearing.

He is referring to our provincial parks in British Columbia. Those remarks can apply equally well to the conservation of our natural resources in general. Therefore, because of my belief that knowledge is essential for widespread public support in defence of our natural resources, I bring these suggestions to the minister and trust he will find some ways and means of informing to a much greater extent the public of this country and the school children of this country of the value of the work of his department as a part of a national conservation policy in Canada.

Mr. Macdonnell: Mr. Chairman, if I had asked the minister whether he really wanted me to speak again, I doubt whether he would have said yes, but I will comfort him as far as I can by saying that I shall be very brief.

I should like to add a word to what my leader said about the development of nearly

80 years ago. I should like to say that I believe that development was easier then because life was different. People were much more self-reliant then than they are now; they had to look after themselves because they knew that nobody else would look after them. I think that the atmosphere was different then. I like often to recall—and my leader this afternoon has reminded us of it—the days of the building of the C.P.R., because it was, after all, a business epic; it was a business romance. I suggest that anyone who has not read it should look up a narrative poem by Professor Pratt, I believe, of Victoria University, called "Toward the Last Spike". There he will find courage of the highest type in two quarters. First of all among the builders of the road. I like to think of Sir William Van Horne, an office man who could walk across a chasm on a plank where the workmen would only go on their hands and knees. That is the kind of man he was. I like to think also of this house when, in answer to many doubting hearts, Sir Charles Tupper, who was being jeered at—those were the days when it was said the railroad would never pay for the axle grease—made the heroic answer, "I can bear the jeers of hon. gentlemen opposite; I await the plaudits of posterity". He awaited them and he got them.

I should like to make a slight reference to one aspect of this matter. I believe we have this on a better basis this afternoon than last night. I think that we are again realizing and believing that in this country there are plenty of men of courage and initiative, and it is in that respect that I wish to raise a question with the minister. I quite realize that the minister has other people to whom he has to pay some deference, such as a hard-hearted Minister of Finance and so on. It is not a very usual role for me to be advocating the spending of money, but I would say that there is some danger, since the minister, not because of his own temperament, I am sure, but because of an atmosphere that has been created, is not doing exactly what he himself might like. I am going to read a paragraph in which I think the word "possible" or "possibility" is terribly overstressed. I am going to suggest to the minister that the men of those days, as my leader said earlier, did not wait for things to become possible; they made them possible. It is with that in mind that I am going to read to the minister a paragraph from page 443 of the proceedings of the special committee on estimates. I know he will heartily agree with what I am saying whether he feels that this is an opportune moment to admit it or not.

Mr. Lesage: Is that page 543?

Mr. Macdonnell: No, page 443. I am not reading from the report; I am reading from the evidence:

Mr. Thatcher: But you could have an over-all policy.

Hon. Mr. Lesage: We have an over-all policy. I believe I have mentioned it, but you have to be sure before you spend thousands and hundreds of thousands of dollars to build roads to one given spot that there is going to be some mining production there.

Nobody can complain about that. It is the whole atmosphere of the thing that rather gets me down. I read on:

. . . for instance, we are presently studying, we have surveyed last year at a cost of about $50,000 the possibility of building a road between Carmacks on the Yukon river and Ross River Crossing—

And so on. He continues:

We have surveyed the possibility of opening up a road there because there have been some surveys, geological surveys, and some prospecting that has shown that there are possibilities of development.

We are going to get from the owners of the companies who are prospecting there definite word about the possibilities of the area, and also from the Department of Mines and Technical Surveys in about a year or so, then we will come to a decision on the economic opportunity of building this road.

All I want to say, Mr. Chairman, is that the atmosphere of that is not right. That is not the atmosphere in which the Canadian Pacific Railway was built. That is not the atmosphere in which this country was developed. I will just say to the minister that if he could make a raid on some of the other departments, I could offer him some useful suggestions as to where he could make those raids. For instance, I would suggest that those large amounts which are spent in publicity could be much better spent in turning some of these possibilities into actualities. I told the minister that I would be brief, but I still feel that the atmosphere that was referred to in the speech of my leader in which he sought to recapture the atmosphere of the pioneer days of this country is what we need again. I do not doubt for a minute that the minister has it himself. I think all he has to do is to make it possible.

Mr. Hahn: I do not desire to go any further into the problems of the north but rather to go back to the banana belt of Canada, namely the southern part of British Columbia. Yesterday I asked the minister about the possibility of making a national park in the Point Roberts area, in the location of the monument in that area, more particularly in view of the fact that the United States government is apparently going to put a national park on their side of the monument. I want to be very brief. I only want some assurance that he and the departmental representatives will examine into what the Americans are doing with respect to determining whether or not a park will be made; that is, that the possibilities of building a park will be looked into. We in that area feel that we should just like to have that assurance. Possibly the minister could give it at this time.

Mr. Lesage: I will look into the matter with the greatest pleasure and I will write to the hon. member.

Mr. Hahn: Thank you.

Mr. Simmons: While we are on this item, I should like to say that I was interested last evening in the remarks made by my friend the hon. member for York West who has visited both the Northwest Territories and the Yukon Territory. He said that before one can see the development of our northwest on the scale to which it is destined, it will be necessary for all to see those far-flung areas. I agree with him. He also said that only in that way can we realize the great potential that lies before us in this country's development. I most certainly agree with him that the true development of the north can take place only with a sincere and real attempt to provide adequate transportation and communications for those areas and that it is not possible to provide expanding transportation services on the basis of a policy which provides some type of monopoly. The government should most certainly follow, as quickly as possible, a policy of free enterprise in connection with our northern transportation problems.

A good illustration of this is the intolerable position in which the Northern Transportation Company, a crown corporation, is placing private water carrier companies who are their competitors along the Mackenzie river. The Northern Transportation Company have now reduced their rates into the Northwest Territories, something which should have been done many years ago. The reason given for this reduction, I understand, was the increased tonnage of freight and the increased efficiency of handling. On breaking down these rate reductions, I find that the only points that have been reduced are those at which the Northern Transportation Company is in competition—

Mr. Lesage: May I be pardoned for interrupting but I must point out that the Northern Transportation Company is a crown corporation which reports to the Minister of Trade and Commerce. It seems to me that I should not be starting at this point on a detailed examination of the rates from one point to another or any such thing. I have no jurisdiction over the Northern Transportation Company.

Mr. Simmons: This is something that has a great deal to do with the cost of living in the territories, Mr. Minister, and I am only going to take a minute or two on it. As I said, on breaking down these rate reductions—

Mr. Lesage: They do not operate in the Yukon.

Mr. Simmons: They operate on the Mackenzie river. I find that the only points at which they have reduced the rates are those at which the Northern Transportation Company is in competition with the Yellowknife Transportation Company and the Hudson's Bay Company. At no other points are the rates reduced.

Mr. Lesage: Oh, no. I just must come in again because this is not correct, Mr. Chairman.

Mr. Simmons: I find that the rate reduction as put in effect starts at Fort Providence and goes down the Mackenzie river—

Mr. Lesage: Starts where?

Mr. Simmons: Starts at Fort Providence.

Mr. Lesage: No. It does not start there. It applies to lake Athabasca.

Mr. Simmons: That is where it starts, according to the figures I have here. The reductions in rates that have been put into effect by the Northern Transportation Company are not for the benefit of the general public of the Northwest Territories but purely for the purpose of trying to cripple competitive carriers.

Mr. Lesage: I just cannot allow that statement to go unchallenged. Of course the reductions that have been agreed to by the Northern Transportation Company lately are for the advantage of the people of the Northwest Territories. They were granted after we had asked the Northern Transportation Company and also their competitors to see whether they could not reduce their rates. The reductions by Northern Transportation Company have been granted on a much larger scale than that mentioned by the hon. member.

Mr. Simmons: I do not think it is much larger, Mr. Chairman. I have the reductions in rates right here. If any hon. member would like to see them, he is certainly at liberty to do so.

Mr. Lesage: I am sure that the hon. member will see from his list—if the list is correct—that these reductions apply to lake Athabasca.

Mr. Simmons: They apply from Waterways to Fort Providence, Fort Simpson, Fort Wrigley, Fort Norman, Norman Wells, Fort Good Hope, Arctic Red River, Fort McPherson, Aklavik, Reindeer station, Tuktoyaktuk, Yellowknife, Bushell and Gunnar Dock.

Mr. Lesage: Where is Bushell? Where is Gunnar Dock? They are on lake Athabasca.

Mr. Simmons: They are on lake Athabasca.

Mr. Lesage: Yes.

Mr. Simmons: The last two are on lake Athabasca.

Mr. Lesage: Yellowknife Transportation Company is not a competitor of Northern Transportation Company on lake Athabasca; not that I know of.

Mr. Simmons: No; but they are at other points.

Mr. Lesage: Oh, yes.

Mr. Hardie: As a member of the estimates committee I had the opportunity, as did other members, to discuss the estimates of this department in detail and anything that I have to say would be repeating what I have said on other occasions and what others have said on other occasions. As I have said before, I feel that the development of the north is primarily dependent on transportation, whether it be by water, land or air. I think the minister told the committee that the department had studied the problem of transportation particularly with regard to the construction of a railroad from Grimshaw, Alberta, to Pine Point. But as I understood him today, the Consolidated Mining and Smelting Company, which controls the large lead-zinc deposit at Pine Point, has not submitted definite plans with respect to how or when they intend to develop this property. Is that not true?

Mr. Lesage: Is that a question?

Mr. Hardie: Yes.

Mr. Lesage: Yes, that is true. I have not had any communication lately from the Consolidated Mining and Smelting Company about their plans for the development of the ore body at Pine Point.

Mr. Hardie: I am confident when the company does announce its intention of going ahead with the development at Pine Point the government will have the unanimous support of members on both sides of the house when it asks for an expenditure to build a railroad from Grimshaw to Pine Point. Anything I could say now about the vast potential of the north I have already said time and again. However, I should like to concur in the tribute paid yesterday by the hon. member for Calgary North to the officials of the northern affairs branch who appeared before the committee. I should also like

to add an additional tribute to all members of the estimates committee because in my opinion, and I think the hon. member for the Yukon will agree with me, it is very gratifying to know that members of all parties in the house are becoming conscious of the great potential of the north and favour greater government expenditures for the development of that area. It must also be gratifying to the minister to know that he has the support of all sections of the house. I feel he will now receive a very sympathetic hearing from his colleagues on the treasury benches when, I hope, he presents to them greatly increased expenditures for the years to come.

Mr. Harkness: Just before the first item carries, may I say that there has been quite a bit of talk about transportation in the north and therefore I think this is perhaps the best time for me to ask the minister one or two questions. I noted he said yesterday that water rates and air rates to the north had been reduced by 20 per cent in both cases, I understand.

Mr. Lesage: It varies.

Mr. Harkness: I thought the minister said 20 per cent, but I now understand it varies.

Mr. Lesage: It is roughly 20 per cent.

Mr. Harkness: I wonder whether the minister can tell us what the water and air rates are per pound at the present time to a few points in the north. Let us take Fort Smith, Hay River, Yellowknife, Fort Norman and Aklavik.

Mr. Lesage: Would the hon. member mind if I tried to obtain that information for eight o'clock tonight? Even if we have passed to another item, I can table the figures.

Mr. Harkness: Perhaps the minister will have that by the time we reach the northern administration and lands branch.

Mr. Lesage: Maybe I will have it. In any event, my officials are in the gallery listening to us and I ask them through you, Mr. Chairman, to get that information.

Item agreed to.

National parks branch—

295. Branch administration, $86,425.

Mr. Bryce: Mr. Chairman, having listened to statements as to the amount of money being spent in the north, may I say that the minister should be congratulated on getting that amount of money from the treasury board, but I am envious because there are so many places in my constituency still undeveloped where that money could be spent which the minister passes by on his way north. However, I do not begrudge the money spent on this development. I feel quite sure that when we are able to transport power longer distances and at greater voltages the northern part of my constituency will come into its own because we have there the Nelson river, Grand rapids and other places that are future power sites. I have no intention of making a speech but I want to ask the minister a few questions.

One matter about which I am approached both at home and by letter concerns what is going to happen to Lower Fort Garry. Is the federal department going to hand it over to the provincial government to run or is it going to remain on the same basis? Lower Fort Garry is associated with the Selkirk settlers and the people who made the Red river valley famous. I do not need to recall the history of those hardy pioneers. Some of their descendants are still there and they are anxious to know what is going to happen to Lower Fort Garry. I understand it is now rented to a company.

Mr. Lesage: A club.

Mr. Bryce: A golf club. That is all right if that is what the department wants to do, but I understand it has only been rented for a year at a time. Personally I would not like to rent a house or a farm a year at a time because people do not take any interest in properties if they only have the use of them for a year. If it is going to be handed over to the provincial government so that it can become a place where the people of Winnipeg can go on a Saturday afternoon that will be ideal. There could be a nice tearoom there and I am sure there would be many visitors. But if the department decides against that and is going to rent it to a country club or golf club, then I think the department should at least give them a three-year lease so that the place will not deteriorate. This landmark is very important to the people of Selkirk, the descendants of the pioneers in the Red river valley. I should like the minister to tell me something about that. I may be out of place in drawing to the minister's attention the fact that there is still a lot of federal and provincial crown land north of the interlake country that would be suitable for a park and would not require the expenditure of very much money. The land belongs to the provincial and dominion governments now and could be set aside for future development. Everybody agrees that Canada is growing by leaps and bounds, and while we have Riding Mountain park we should be making provision for another park in the interlake country or north of the interlake country.

Mr. Lesage: I am very pleased to answer the queries of the hon. member for Selkirk. Lower Fort Garry has been rented for a number of years to the Motor Country Club of Winnipeg. When I went to Winnipeg last year on my trip west and north with my deputy minister we stopped at Lower Fort Garry and had conversations with the executive officers of the Motor Country Club. We also discussed the matter with the provincial member of the historic sites and monuments board. After we came back to Ottawa we had correspondence with ministers of the provincial government. After consulting all these people we came to the conclusion, which was in accord with their advice, that we should continue to rent the premises to the Motor Country Club but that the lease should include a condition which did not exist previously to the effect that the public should be admitted to the grounds and to the buildings. This has been agreed to now, and this morning I signed a submission to council to be authorized to sign a five-year lease with the Motor Country Club. This lease will contain conditions which will facilitate the general public in visiting the fort, the surrounding grounds and buildings including the main building on request.

Moreover, this year the department is going to spend $12,639 to make alterations to what is called the fur storage building on the fort premises. I believe I can assure the hon. member, through you, Mr. Chairman, that everything is being done to keep that fort in the best possible condition. One of the conditions of the lease is that the Motor Country Club shall maintain the main building and grounds. They are in a beautiful state from what I could see last year. It seems to me that this great historic place will be preserved to be seen by the general public of Manitoba and all visitors to that wonderful province.

Mr. Bryce: I want to thank the minister for his reply. Needless to say he understands my main concern that the common people of Manitoba will have every opportunity to visit that historic spot.

Mr. Lesage: That is the condition that we have attached to the new lease. We consented to the lease under that specific condition, that the people could go into that fort every day of the week.

The Deputy Chairman: The hon. member for Bow River.

Mr. McIvor: I was going to ask a question on this.

The Deputy Chairman: The hon. member for Bow River.

[Mr. Bryce.]

Mr. Johnston (Bow River): I am not going to take too much time on this occasion. One of my main concerns so far as national parks are concerned has to do with Banff national park and the inauguration of the dollar-a-day hospitalization plan. This subject has been debated at some length, and I believe the minister is now familiar with all the aspects of it. I am sure he is going to give the matter every consideration. He is in touch now with the provincial authorities and the people of Banff. I feel quite sure that before very long we are going to have the dollar-a-day hospitalization plan out there, so I am not going to dwell on that.

There are one or two other points, possibly minor, yet they do have some concern for the people of Banff, to which I want to refer. Banff, as you know, Mr. Chairman, and I think the minister will agree without any question whatever, is the outstanding summer tourist resort in Canada.

Some hon. Members: Hear, hear.

Mr. Johnston (Bow River): There is no question about it. There are more visitors to Banff national park from all parts of this country and the United States than any other tourist attraction in Canada. Certainly, Banff does not take second place in its magnificence to any spot in Canada or the United States. I have visited nearly all the national parks in the United States, and I say that without fear of contradiction.

This brings me to my point, Mr. Chairman. The other day I saw an article in the newspaper, and I want to read it to you. It pertains to our Royal Canadian Mounted Police. I know the minister will say immediately that that is not his department, but it is so far as it affects Banff, and that is what I am concerned about. Let me read it to you, Mr. Chairman. This article appeared in the Ottawa *Journal* of May 6, 1955. The heading is, "Only in Ottawa may you see R.C.M.P. in scarlet". It reads:

> A press release by the city tourist and information bureau pointing out that Canada's "Mounties" are to be seen regularly in their scarlet dress uniforms only in Ottawa has been reprinted by dozens of American newspapers, Gerald Geldert, bureau director, reported today.
>
> He felt this would bring U.S. tourists to Ottawa. In other Canadian cities the R.C.M.P. wears dress uniform only on special occasions.

May I repeat one sentence to you?

> He felt this would bring U.S. tourists to Ottawa.

This morning I took the trouble of communicating with the commissioner of the R.C.M.P. to find out whether or not that statement was true. I was well aware that it was not before I communicated with him, but I am informed by his officials that it

is not true. I wanted to make sure. I am informed by the officials concerned that you will find the R.C.M.P. in their red serge uniforms just as often in Banff as you do in Ottawa. When we have the tourist bureau in this city trying to create discrimination of that sort against some of our outstanding tourist resorts, I think the city of Ottawa should be a little more careful that they are correct in the information they give.

Now, Mr. Chairman, I want to turn to one or two other important facts concerning Banff. In Banff there has been some question as to whether or not the new post office building, which is being erected, should provide office space for the Banff advisory council. As the minister knows so well, this advisory council is the elected body in Banff which acts as a sort of liaison officer between the people, the superintendent of parks and the department here in Ottawa. The council has no office space, and they have no money. It would seem to me that perhaps the minister could intercede with the Minister of Public Works to see if it is not possible to have the Banff advisory council accommodated in one small room. On one occasion I saw the Minister of Public Works, but I did not have very great success, so I hope the minister has more success.

I want to go on to another point which is causing some concern in Banff, and that is the change in rates which is being applied to licence fees. I have indicated to the minister that generally speaking, where increases have been carried out this year, there is not too much room for complaint. There are some points, however, to which the minister's attention should be drawn. I have not bothered referring these to him, but I want to draw one or two instances to his attention. First of all, I think it is unreasonable to suppose or expect that we should be able or even try to increase the licence fees in any national park in Canada, and particularly in Banff, with the thought in mind that the citizens of those areas should be expected to assist materially in the upkeep of the park. Now, that would be ridiculous in the extreme because there are only about 2,500 or 3,000 citizens living in Banff. While they contribute to the upkeep, they contribute also to the accommodation and well-being of the tourists who go there. They could not be expected to contribute to any great extent to the upkeep of the parks generally.

Having that in mind, Mr. Chairman, the advisory council has drawn to my attention one or two instances where the increase in the licence fees seems to be out of line with the ordinary increases in other parts of the province. I want to refer to one particular instance:

> Rooms. Rental of two rooms or less in private house, with or without meals, each room $2.

In this instance there has been an increase of 100 per cent. Previously we were charging $1 for the season or for the year. This year it has been increased to $2. I am conscious of the fact that it is an increase of $1. That may not sound so much as a 100 per cent increase, but the fact is, Mr. Chairman, the people who are renting rooms in their homes are rendering a service to the tourists who come there.

Mr. Lesage: It is only $2 a year.

Mr. Johnston (Bow River): Yes, that is right.

Mr. Lesage: Well—

Mr. Johnston (Bow River): When you put it that way—and I put it that way before the minister did—it does not sound like a tremendous increase, but it is in fact an increase of 100 per cent. That sounds better from my point of view.

Mr. Lesage: Yes. If you were speaking of a reduction in federal taxes, you would talk in a different way.

Mr. Johnston (Bow River): The people who rent those rooms are doing it as a service to tourists who come to Banff. Last year I pointed out that many hundreds of people who come to Banff as tourists have to sleep in the station or in places other than cabins, motels and rooms. In order to visit there at all they must sleep in those places or they cannot come. The people of Banff have gone out of their way to make their homes available. I do not think we should penalize them by doubling the licence fee. It may be only $1, but some people are very sensitive in that regard. I have had people write to me since the increase was made, and they have told me they are not going to rent their rooms if they have to pay an increased licence fee. Of course they could do it, nevertheless it is an inconvenience to have strangers in your home. The minister himself says it is only $1. He would be well advised to cut it out and leave it at the original fee of $1.

The other matter I wish to deal with has to do with rooming houses. I read from the item:

> Containing more than 2 rooms for rent but no meals served, each room, $2.

It used to be $1; it has been raised to $2. The advisory board which represents the people of Banff think it should be left at $1

for the very reason I have already pointed out. The people who rent rooms in their private residences do so in a spirit of co-operation. It is true they get paid for it. I am not minimizing that for a moment, but it is an inconvenience. I know of people in Banff who have their families sleeping in the kitchens and the dining rooms in order to make their bedrooms available to tourists. If that were not done those tourists would have no place to sleep. They would have to sleep in the railway station or in the bus station or some place else. The people are willing and anxious to make their homes available.

Mr. Ferguson: He has me in tears over that $2 a year. He will have to stop.

Mr. Johnston (Bow River): If the hon. member who just interjected that remark went to Banff expecting to have a pleasant holiday and do some fishing, and found himself sleeping on a chair in the station it would bring him to tears.

Mr. Ferguson: I would not go if I had to sleep in the station. I am not going to go without three meals a day, nor am I going to sleep in a station.

Mr. Johnston (Bow River): That is what I am trying to point out. If the tourists of Canada and the United States know that when they come to Banff they will have to sleep in the railway station, they will not come. Therefore the people of Banff, out of the generosity of their hearts, have made their rooms available. And because they have done so the government doubles the fee.

Mr. Ferguson: Yes, $2 a year.

Mr. Johnston (Bow River): That is not very good recognition of the service rendered. That is one of the things I am concerned about.

There is another aspect that I wish to bring to the minister's attention. I refer to motels. I am not thinking of the increase in rates, though there has been an increase in motel rates. I know quite well that most motels in Canada, and particularly in Banff, are making pretty good money. Therefore I am not so concerned about those who have raised their rates by $1, $2, $3, or $4. What I want to bring to the minister's attention is this. It is a matter of principle.

There are people in Banff and in other national parks of Canada who wish to start motels, and applications have been made to the department for permits. The policy of the government has been along this line. Unless a motel can be constructed that will be an asset to the national park, a permit should not be granted. I would go so far as to agree with that. We should not have a motel constructed in any national park that will be a disgrace to that park. However, it should not be necessary for the prospective owner of a motel in Banff, or in any other national park, to put up $100,000, $150,000 or $200,000 before a permit is granted.

I say to the minister that some of the best motels we have in Banff, such as Brewster's and Becker's—and there are others—started out with one or two camps. They never had $150,000 or $100,000 when they started. They have built up the business. Some of these motels now are just as modern as any to be found anywhere in the country, and they are an asset to the town of Banff and to the national park. But the point is that they started at the bottom and built worth-while additions to their motels.

It seems to me that is the only fair and proper way to operate. We should not establish the principle that we are not going to grant permits for the construction of motels in the national parks unless people can put up $100,000, $150,000 or $200,000. If we grant permits it would be perfectly in order to say, "We are not going to allow you to build any shack in Banff national park. If you want to put up a small unit to accommodate two persons or four persons, that will be all right. You put it up, and you comply with the regulations, and it has to be an asset to the national park." That would be proper, and I would back it 100 per cent. It might take only $15,000 the first year, and the next year they might be able to add to it. In a matter of four or five years they could have a motel that would be capable of accommodating 40 to 50 persons. It would be a real asset to the park, and the people would make some money out of it.

That would be the principle to establish to assist in that type of construction. In Banff, and I suppose in most of the other national parks, we need more motel accommodation; we need more cabin accommodation to take care of the ever-increasing numbers who come as tourists to visit those outstanding spots. I hope the minister will give this consideration.

I could discuss other things, but as I told the committee on another occasion I do not intend to carry on the debate at any great length. I thought I should bring these particular things to the minister's attention, because they have been brought to mine by the advisory council in Banff. Since the minister has been so considerate in other matters, I hope he will go a little further and cut down some of these licence fees that have been at $1; and when he comes to Banff

again and visits some of these outlying places, he may be able to get some good fish.

Mr. Byrne: I note the minister has with him the very capable director of national parks. It is for that reason I wish to take a few moments to bring some matters to his attention at this time.

First I want to say that perhaps the hon. member for Bow River may be a little too enthusiastic when he describes the wonders of Banff national park, because he should remember that bordering on Banff national park are the Kootenay national park and the Yoho national park. When the trans-Canada highway is completed through the Yoho national park, undoubtedly streams of tourists will enter that park, because that area contains scenery which cannot be equalled anywhere else in Canada or on the North American continent.

At one time the mounted police stationed in Yoho and Kootenay national parks wore their scarlet tunics quite frequently, but it was found that those tunics actually were drab compared with the general scenery in and about those parks, so now they wear them only on special occasions.

The matter in which I am particularly interested at this time is the hours of work for employees in the national parks. I have discussed this matter with the minister and the officials of the department, and they feel that because it is national policy nothing can be done to bring parks employees in line with working conditions established in British Columbia. I am referring specifically to the employees in the Kootenay and Yoho national parks.

At the present time we are dealing with an amendment to the compensation act which will provide for the payment of compensation to all civil servants on the basis of regulations existing in the province in which they are usually employed. I think we should go a step further and provide that federal employees should be entitled to the other amenities provided by legislation of the province in which they are employed. In British Columbia the 44-hour week is law, but for the most part employees of the provincial government and certainly of industry are working a 40-hour week. The employees in the national parks should be on a similar basis, and not be treated as second-class citizens.

I realize that there are difficulties in the way of instituting a 40-hour week because it is necessary that certain services be provided on Saturday and Sunday; but I have faced this argument from time to time in negotiations with industry, and a way has always been found to work out schedules providing for the 40-hour week or whatever it may be.

I note that the civil service association in Ottawa are asking that the hours of work of the civil servants be reduced from 38 to 36½ hours a week. If they feel they are entitled to a 36½-hour week, all well and good; but I submit that other civil servants should be granted the amenities that prevail in the areas in which they are employed. I hope the minister will consider this request seriously.

Mr. Ellis: Mr. Chairman, I have just one or two observations to make in connection with the accommodation at Prince Albert national park. My understanding of the purpose of our national park system is that facilities are made available to Canadians as a whole. I submit that everything should be done to make it possible for Canadians, irrespective of income to visit our parks.

Complaints have been brought to my attention in connection with the accommodation at Prince Albert national park. I understand that shack tents in the park are not to be made available to other than the owners. The situation is that many wage earners can get only two or three weeks' holidays in the summer, and they find themselves in the position when they open a shack tent that they are not permitted to make it available to relatives or friends. Will the minister advise me if that statement is correct.

Mr. Lesage: No. May I say right now that they can make it available to their friends at any time provided it is free, but what they cannot do is to rent a shack tent to different people every week or two weeks.

Mr. Ellis: I understand that is the regulation. I realize also that there was a time when a number of shack tents were owned by one individual, but that situation has not existed for some time. One of my constituents informs me that after his shack tent was opened up he made it available to one of his neighbours, and he then received a letter from the superintendent of the park suggesting that he was renting it. I submit that any person owning a shack tent in the park should be permitted to make it available to friends without any suggestion of renting it. There have been complaints brought to my attention of persons owning shack tents in the park and making them available to friends being told that they were renting them.

Mr. Lesage: Being asked if they were renting them.

Mr. Ellis: The suggestion was made that they were renting them when in fact they

were simply lending or making the shack tent available to friends.

Mr. Lesage: How much?

Mr. Ellis: I should like to have the assurance of the minister that the owners of shack tents in Prince Albert national park will be able to make those available to their relatives or friends without the inference being made that they are renting them. It is not a question of running a business, or putting ads in the paper that shack tents are available for rent.

I repeat that many of these people are wage earners who get only two or three weeks' holiday. It costs a good deal to set up a shack tent at the start of the season, and I see no reason why it should have to remain idle for most of the season. I cannot understand why these people should not be permitted to rent them. However, the instance I am citing is that of a person who was not renting it, but the claim was made that he was doing so simply because other people were living in it.

I suggest to the minister that when a person wants to make an arrangement on his own responsibility with another party and make his shack tent available, he should be permitted to do so. It is an expensive proposition for a wage earner on a low income to maintain facilities of that kind in the park, and anything that can lighten that load should be done.

The facilities of the national parks should be made available to persons on low incomes. There are many people who are not in a position to go into the parks and pay the rates asked for accommodation. I ask the minister to consider making it possible for the owner of a shack tent to make a private arrangement with regard to the use of that tent in the national park. After all, he would not be indulging in the real estate business or anything like that.

Mr. Ferguson: Surely to goodness Canada has not reached the stage that the people have to live in shacks. I have not been in that park, but have we sunk so low that we have to designate buildings for people to live in, irrespective of their financial standing, as shack tents. There is a plea that they should be rented for nothing, because someone wants to go into a venture building shacks. Let us get away from that. Stop building shacks in Canada. Let us get down to earth. If we cannot do better than that there is something wrong. We have listened to an appeal for 30 minutes—at a cost to the country of about $1,500 an hour—that people may continue to live in shacks. How nonsensical to make such an appeal, that Canadians may start living in shacks. What a ridiculous appeal.

Mr. Studer: That is socialism.

An hon. Member: Don't be asinine.

Mr. Ferguson: If that is asinine, I would sooner be asinine than make your appeal.

Mr. Barnett: Recent remarks by the hon. member for Bow River have prompted me to participate briefly in this debate. As you will recall, the hon. member was at some pains to set the record straight. I thought perhaps I might follow his good example for a few moments. The hon. member went into considerable detail as to the glories of Banff national park. While I would not argue with him seriously in regard to his claim that it is an outstanding tourist attraction, nevertheless I would remind him that there is a park somewhat to the north of that, known as Jasper national park, which has within its borders, or close to them, the highest peak in the Canadian Rockies. I am referring to mount Robson. Considerable publicity comes to the Jasper park region because of the fact that we have there, as I say, the highest peak in the Canadian Rockies.

Coming to this matter of putting the record straight, Mr. Chairman, I felt that I should like to remind hon. members who come from these flat lands of the east that after all they should not allow the Canadian Rockies to so overawe them that they overlook the fact that in reality the Canadian Rockies are merely the foothills of our mighty Coast range of mountains in British Columbia. Some indication that this is the prevailing attitude in the east is found in an article that I recall noticing about a year ago in the Toronto *Star Weekly*, which went to considerable pains to describe mount Robson, referring to it as the highest mountain in Canada.

Now, Mr. Chairman, I do not know whether you observed that article, but I am quite sure you will agree with me that that was not a correct statement of fact, and that it is something which perhaps could be put straight in the minds of those who dwell in the more easterly parts of Canada.

As you are undoubtedly well aware, within the present boundaries of the constituency of Comox-Alberni, in a part of our country which, I believe, at one time was within the constituency which you represent, Mr. Chairman, does lie the highest mountain in Canada, namely mighty mount Waddington, at the head of Knight inlet in the Klinaklini river area, the only mountain as far as I know which rises above 13,000 feet.

I felt that I should like to put the record straight, and in view of the discussion that has taken place about the biggest and best national parks in Canada, draw to the attention of the minister that when he is looking around for bigger and better national parks in Canada, there in the western part of British Columbia does in fact lie Canada's mightiest mountain, rising to something over 13,200 feet.

Mr. Quelch: Mr. Chairman, whilst some hon. members may have been a little jealous about the attractions of Banff as a national park, there is really no doubt in anybody's mind that Banff is the greatest tourist attraction in Canada today. However, many of the people who come to Banff are very much disappointed at the very poor fishing they find. They read the "Anglers' Guide" and are told that some of the lakes and streams are teeming with fish. Then after having fished there for a week and having caught one fish, or none at all, they begin to wonder where these teeming lakes are.

I was very much interested in an article that appeared in the "Voice of Motordom" the official organ of the A.M.A., by Fred Turnbull, president of the Edmonton trout fishing club. I should like to quote briefly from that article. He was first of all referring to the great improvement in fishing in the province of Alberta as a result of the recent conservation program. Then he had this to say:

> What has been the effect of this great local improvement on the tourist influx to our national parks? We all like to go to the mountains to fish and at the same time enjoy the wonderful scenery, but place before the fisherman two choices, one, to visit the national park and to enjoy the scenery but along with that obtain only mediocre fishing, and on the other hand drive out 30 miles or so from the city after lunch and return home with an excellent catch of trout up to four pounds in weight. It is left to the reader to say which choice the fisherman will take.
>
> There is no doubt that those responsible for the very mediocre fishing in our national parks are beginning to realize that the tourist expects something more than pictures of used fish displayed in travel and sporting magazines with the caption "Come to Canada and get the big ones". What does the average tourist fisherman expect? It is generally conceded that the average fisherman is satisfied with a reasonable catch of say four or five trout about a half a pound to two pounds each with the occasional big one as an added incentive. He wants these fish in lakes and streams fairly close to the highway, not so far away that he has to hire an expensive outfit to reach them.

I have heard many reasons for the poor fishing in the national parks in the Rockies.

The Deputy Chairman: Before the hon. member develops his argument, now that he has read his extract I must draw the attention of the committee to the fact that it is five o'clock, and we must proceed to the consideration of public and private bills.

At five o'clock the Speaker resumed the chair.

PRIVATE BILLS

The Acting Speaker (Mr. Applewhaite): There being several divorce bills on the order paper, is it agreed that they all be taken in the one motion?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Bill No. 353, for the relief of Franga Beryl Harker Stinson.—Mr. Hunter.

Bill No. 354, for the relief of Enid Gertrude Brooks Bray.—Mr. Hunter.

Bill No. 355, for the relief of Shirley Pollack Nadler.—Mr. Hunter.

Bill No. 356, for the relief of Isidore Hoffman.—Mr. Hunter.

Bill No. 357, for the relief of Ethel Dworkin Abrams.—Mr. Hunter.

Bill No. 358, for the relief of Michael Moses Scullion.—Mr. Hunter.

Bill No. 359, for the relief of Clifford Joseph Linehan.—Mr. Hunter.

Bill No. 360, for the relief of Irene Furlong Walters.—Mr. Hunter.

Bill No. 361, for the relief of Joyce Davies Javallas.—Mr. Hunter.

Bill No. 362, for the relief of Freida Schecter Lupovitch.—Mr. Hunter.

Bill No. 363, for the relief of Gertie Tryansky Katz.—Mr. Hunter.

Bill No. 364, for the relief of Olive Gertrude Meredith Bateman.—Mr. Hunter.

Bill No. 365, for the relief of David Sandler.—Mr. Hunter.

Bill No. 366, for the relief of Marcel Deslauriers.—Mr. Hunter.

Bill No. 367, for the relief of Delmar Ross Andreis.—Mr. Hunter.

Bill No. 368, for the relief of Elizabeth Blanche Nelson Mallozzi.—Mr. Hunter.

Bill No. 369, for the relief of Glennice Maude Hunter Garayt.—Mr. Hunter.

Bill No. 370, for the relief of Irene Jessie Hillson Towes.—Mr. Hunter.

Bill No. 371, for the relief of Vivian Ruth Law Alarie.—Mr. Hunter.

Bill No. 372, for the relief of Joseph Antonio Campeol.—Mr. Hunter.

CANADA GRAIN ACT

AMENDMENT TO PROVIDE FOR FAIR ALLOCATION OF BOX CARS

The house resumed, from Tuesday, May 10, consideration of the motion of Mr. Argue

for the second reading of Bill No. 22, to amend the Canada Grain Act.

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I should like to speak a few moments in support of Bill No. 22, which was introduced by the hon. member for Assiniboia (Mr. Argue) and on which debate was continued last Tuesday. I should like to make one or two rather critical remarks about the speech delivered by the hon. member for Provencher (Mr. Jutras) on Tuesday, May 3, when he spoke on this bill. It seemed to me that the hon. member indulged in about 40 minutes of mental gymnastics in an effort to defend and justify the government's position in opposing the recommendations contained in this bill. Following that speech, another 20 minutes spent by the hon. member for Swift Current-Maple Creek (Mr. Studer)—

Mr. Studer: Twelve minutes.

Mr. Bryson: It sounded like 20 minutes. As I say, another 20 minutes were spent by him in another kind of gymnastics.

The hon. member for Provencher suggested that the government is not ignoring the wishes of the western farm organizations in not implementing the principle laid down in this bill, namely that every farmer should have the right to deliver his grain to the elevator of his choice. I should like to recall that the hon. member was chairman of the standing committee on agriculture last year when this question was dealt with at great length. Certainly he can hear as well as anyone else, and certainly he heard that the Saskatchewan pool spoke favourably of this proposition. Likewise support was given to it by the interprovincial farm union council.

Since then, as was indicated on Tuesday last by the hon. member for Acadia (Mr. Quelch), the three western pools have shown support for the bill, as well as the Canadian Federation of Agriculture. Certainly the Saskatchewan wheat pool have only recently indicated that, because of the unfairness of box car allocations, they lost what they consider to be $750,000, because they feel the government has ignored their wishes as well as those of other farm organizations in this respect.

I do not intend to deal with the car order book. That matter was dealt with thoroughly by both the hon. member for Assiniboia and the hon. member for Provencher. The hon. member for Provencher feels that the car order book will not work either in times of congestion or in times of non-congestion.

Mr. Jutras: Mr. Speaker, I rise on a question of privilege. Ever since the hon. member started to speak he has been attributing to me words which I did not use and drawing inferences that could not be drawn from the context of my speech. I suggest that the hon. member make his own speech.

[The Acting Speaker (Mr. Applewhaite).]

Mr. Studer: May I ask the hon. member a question? May I ask what authority his party has, or what authority he has, to bring this bill before the House of Commons when no farm organization asked them to do so? Perhaps his political organization did, but certainly no farm organization.

Mr. Bryson: Mr. Speaker, I should just like to tell the hon. member that we are not obliged to have authority from anybody to bring anything before this House of Commons. We accept responsibility for what we do in this house. Let us not hear any more of this nonsense.

In answer to the hon. member for Provencher may I say this. In *Hansard* it is recorded what was said. I read *Hansard*, and possibly my interpretation is not what he meant. This is the way I read it. At page 3414 we find these words:

> I did say that I doubted very much whether you could make the car order book function in a condition of congestion such as we have at the moment.

That is one thing. He does not believe the car order book would work in times of congestion. Then further down on the page we find this:

> . . . but personally I think the time has probably come when it should be suspended, because it cannot be made to work efficiently and equitably in a condition of acute shortage such as we have at the moment.

That is my interpretation of it. If that is not what he meant, he is at liberty to make his own statement.

Mr. Jutras: The hon. member said I made the statement that I believed the car order book could not function even in a period of non-congestion. I never said that, and that is certainly not what I said in the last statement quoted.

Mr. Bryson: That is a technical point. However, that is the way I read it. Anyway, I do not think it is worth while to argue about whether the car order book is or is not going to do a job. As a matter of fact the car order book can be suspended—as it has been suspended—at the pleasure of the transport controller.

I know the excuse that was made. The excuse was that the car order book had to be suspended in order that the wheat board could fill certain commitments for grain according to grade. But I should like to remind the house that there are over 5,350 grain elevators in the three western provinces.

When the car order book was suspended for the reasons I have outlined, only 200 points were using the car order book, as nearly as I can ascertain. I could not find out in the committee last year, but from the best estimates I can get only 200 of those points were using the car order book. Under those conditions I contend that it is an extremely flimsy argument to say you have to suspend the car order book because, out of over 5,350 elevators, 200 were using the car order book.

The argument that if you sign in your permit book that you are going to deliver your grain to any one elevator, that fact binds you unconditionally and irrevocably to making delivery to that elevator, is nothing but sheer nonsense.

Mr. Studer: Then why sign?

Mr. Bryson: Let those people haul where they want to haul their grain. If you have any quarrel with an elevator man you are free to go elsewhere, as you are now, and take your chances.

Mr. Studer: Then why sign?

Mr. Bryson: Let us not penalize the people who want the right to haul where they wish. I say that argument does not hold water. I think possibly there are a great many people who question the proposition of being able to haul their grain here or there, where there is a difference. The other day in this house an hon. member said he would not want to bind himself unconditionally to any one line elevator company at the present time.

I just cannot see any point in that argument. As far as I am concerned every line elevator in western Canada is exactly the same. You will get just as good a deal from the line elevator companies, as far as grade, dockage and weight are concerned, as you will from the pool elevators. They are good. They have to be good because of the fact that the pool elevators are handling a great quantity of the farmers' grain. That has not always been the history of the line elevator companies, and therein lies the crux of the whole situation.

Too many of us remember what happened before the pool elevator system started to handle a great deal of the farmers' grain. You would go to the line elevator, and you had to take No. 4 grade for No. 2 wheat. It was a case of take it or leave it. You were overdocked, underweighed and undergraded. These were the conditions that made the farmers decide to shift for themselves and form the pool elevator system, in order to get away from the discrimination that was being practised.

I say that is the crux of the whole situation. With the formation of the pool elevator system of grain handling those practices came to an end. You will get just as good a deal now from the line elevator companies as you will from the pools. You will continue to get that kind of deal just as long as the pool elevators are in business. But just as soon as the pools go out of business you are going to get the same kind of deal you got before they came into existence.

The line companies are trying to woo customers from the pools by promises of a better deal. Their efforts in this direction are being aided by the government, when pool members are not afforded the opportunity of delivering grain to their own elevators, which they themselves built in order that they might participate in the savings made through handling their own grain, amounting to millions of dollars annually. That is what we object to. It is often said that one picture is worth a thousand words. Sometimes a story is equally useful for the purpose of emphasizing a point. I am not going to say any more on the subject, but I should like to tell a little story to emphasize the point I am trying to make.

The present efforts of the line companies, abetted by the government, to restore their monopoly position so far as the grain trade is concerned, are reminiscent of a story I heard many years ago about an old farmer who had nieces and nephews. They placed a herd of cattle in the old farmer's care in trust, and he was to look after the cattle for them. Bands of marauding wolves throughout the countryside were taking a heavy toll of the herd so the old farmer, true to his trust, built a stout corral and hired range riders who guarded the herd by day. Oh, once in a while a wily wolf crashed the corral at night and grabbed a calf, but the system worked pretty well. All the wolves could do was stay out in the hills, hold indignation meetings and wonder what they could do about it.

Mr. Studer: They must have been socialists.

Mr. Bryson: The nieces and nephews, like a great many people, fell prey to propaganda. As a result they went to the old farmer and said they thought they should be getting a greater return from the herd. Under pressure the old farmer hired another manager, with specific instructions to cut down on the costs. The operation had to be made more efficient. The new manager thought about the matter for a long time and came up with an idea. He reasoned that wolves, because of their long experience and wide knowledge, knew more about cattle than anybody else. So he summoned the wolves to a big conference, and they really co-operated. Hearings were held

and committees appointed, all at the expense of the old farmer, of course.

Finally all the wolves were unanimous in their opinion. They said tear down the corral, it is unproductive; fire all the range riders, they are nothing but arbitrary bureaucrats. When all the reports had been made the old farmer questioned the new manager as to whether or not this was the right thing to do. The manager said it must be right, because the committees he had set up knew more about cattle than anybody else.

It is the same with those who speak against the measure before us today. Why should they not accede to the wishes and advice of the line elevator companies? After all, they have had 50 years' experience, and they certainly know more about the grain business than the farmers themselves.

Regardless of the outcome of the vote, which may be taken today, we are going to continue to fight for this fundamental principle, so that the farmers may be able to deliver their grain to elevators of their own choosing.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, this bill represents the third attempt by the hon. member for Assiniboia (Mr. Argue) to have legislation of this type enacted. As Bill No. 186 it was introduced into the previous parliament on February 23, 1953. Subsequently as Bill No. 3 it was introduced on November 16, 1953, at the first session of this parliament. It was defeated on January 15, 1954, by 111 votes to 29.

The hon. member persists in spite of the adverse opinion which this house has already recorded on his proposal. He persists in spite of the fact that his plan is completely unworkable, as he could have ascertained by application to any company operating elevators in western Canada. He persists in spite of the fact that during sessions of the agriculture committee last May there was extensive discussion about car allocation, during which the hon. member and his colleagues were unable to elicit one word of approval from witnesses who apeared before that body.

The house will wish not to be wearied by unnecessary repetition of what was said in the debate last year. For example, at page 937 of *Hansard* for December 15, 1953, an extensive statement was placed on record in connection with the car order book and its history. That need not be repeated. But it must be repeated that the car order book already provides all that is necessary to enable a grain producer to have placed at the elevator of his choice a car for the loading of his own grain.

[Mr. Bryson.]

The car order book provisions are an invaluable safeguard of a farmer's rights, whether he chooses to order cars, as he sometimes does, or refrains from doing so. The latter is the case at most times, in most places with most farmers. The effect of this bill would be to force the car order book into constant use at those points where farmers now elect not to use it. It would provide a certain arbitrary distribution of box cars at such a point, a distribution which, presumably advantageous to one elevator or another, might be objectionable to some other elevator or to some producer. The operation of such a scheme would at once be brought to naught by the first person, whether elevator agent or farmer, who chose to put his name on the car order book. That is one reason why the scheme is unworkable.

Observe next that the proposed legislation would be completely unenforceable. It seeks to place a duty upon the railway agent, at any given moment, to act in a prescribed way. But who would ascertain his duty at such a moment? Who could say whether or not he had acted correctly? Who could say that he was not planning to remedy any apparent defect in his procedure at some date, sooner or later, in the future? Or think of the task of the railway agent at one of the larger shipping points where there may be from 300 to 1,300 permit books, covering perhaps 100,000 seeded acres or more, and where there are perhaps seven or eight elevators. At Dawson Creek over 1,300 permit books are issued annually, with an acreage of 260,000. He would have a highly involved arithmetical calculation to make before he could arrive at a basis for car distribution. There would be room for a multiplicity of errors, with perhaps no answer possible that would be both acceptable and practicable. And to add to his confusion would be the knowledge that error would put him in peril of the penalties prescribed for violations of the Canada Grain Act.

The bill provides for a sort of election, with votes weighted according to acreage. Such a scheme is loaded with difficulties. An acre which has been intended to produce fodder in the shape of green feed will have equal voting rights with one which has actually produced 30 bushels of wheat. An acre on which the crop has been destroyed by hail, by rust or by frost will have equal rights with a nearby acre which has had a good crop. An acre producing five bushels of flax will have equal rights with an acre which has produced 100 bushels of oats.

Observe next that the farmer who is willing to take the trouble can vote twice, to the

disadvantage of his neighbour who does not want to be put to this trouble. He can first vote his full acreage in favour of one elevator. Then, having done so, he can put his name on the car order book for successive cars to accommodate all the marketable grain he has produced, for shipment from that elevator. Or, having voted his acreage in favour of one elevator, he may actually deliver to another.

The hon. member last year seemed willing to admit that there were in his bill certain weaknesses, as had been pointed out. He went on to say on January 15, 1954, *Hansard*, at page 1169:

> I submit that is no reason for defeating this bill. Rather the subject matter of the bill should be referred to the agriculture committee of this house for discussion and consideration.

But the difficulties and defects to be found in the bill are not simple matters of wording or of drafting which can be ironed out by revision. Instead, defects are inherent in the very concept of the scheme. Moreover, the bill cannot be referred to the committee without prior endorsation of the principle which it involves. On principle, quite apart from defects in detail, it is unsound and should be defeated.

Several points of principle may be noted as follows:

1. The bill would attempt to freeze, as of October 1, the percentage of shipments to be made by different elevators during the following year, and consequently the percentage of grain that each elevator at a given shipping point might expect to receive. That is to destroy competition in service. Nothing could be more contrary to the spirit of the Canada Grain Act, which endeavours to promote competition. Nothing could be more contrary to the basic philosophy which has animated parliament in the past and the major parties represented herein. At least it is contrary to the philosophy of the Liberal party. It may be that the C.C.F. party has adopted a philosophy to the effect that competition is undesirable and should be restrained.

2. The proposal would discourage and even prevent elevator construction. There would be no incentive to build additional space if car allocation is frozen according to a predetermined cycle. This is in contrast with the present policy of the government, which is to encourage elevator construction by allowing accelerated write-off of capital costs.

3. The proposal is in direct conflict with the Canadian Wheat Board Act, section 20(k), which gives the Canadian wheat board jurisdiction over allocation of box cars which are not placed pursuant to a car order book. Surely parliament cannot be expected to deprive the Canadian wheat board of powers which have previously been considered necessary for the purposes of that body.

4. The proposal would hamper railway operation by introducing inefficiencies. It would frequently force cars to be placed at elevators in no position to make immediate use of them. The elevator may not contain grain of the type currently authorized for shipment by the Canadian wheat board. Or shipments from that particular elevator may be precluded because the operating company has elsewhere exhausted its current quota of authorized shipments.

5. This and similar proposals have been based upon two misconceptions. One is to the effect that under present conditions each elevator in western Canada is afforded the same opportunity as its competitors to ship grain, because of an equal division of box cars, depending upon the will of the railway company. This idea is completely wrong. Take at random 50 points in Saskatchewan with two or more elevators, and you will probably find 50 elevators which have handled and shipped more grain than their competitors. Naturally so, for those with greater patronage or larger facilities are likely to have more grain of the types which the Canadian wheat board authorizes for shipment. Or again you may find that an elevator company has deliberately chosen to ship less of its authorized quota from one point in order, for some reason or other, to be able to ship more of its authorized quota from some other point.

6. The other misconception is that there is a scarcity of box cars for grain shipment. On the contrary, the railways could supply many more cars to be loaded if there were any place to unload them. It is not the supply of box cars to country elevators which needs regulation. It is the unloading of grain into terminal elevators, something the Canadian wheat board is now regulating according to its best judgment. It strives to make the best possible use of terminal space; to keep flowing the kinds and grades of grain in current demand; to keep the pipe lines of supply from being clogged by grain of grades currently unsaleable. To do its work properly it must have freedom of action; it must not be hampered by any such rigid scheme of car allocation as this bill proposes.

7. The Canadian wheat board, in authorizing shipments from the country, does so very largely on the basis of giving a quota to each elevator company. Each such company is then left as free as prevailing conditions permit to choose the point of origin of its

shipments, with due regard to types of grain required and to areas most in need of relief. When the whole elevator system is congested with more grain than can be promptly disposed of, no system of controlling shipments can give perfect satisfaction at all times, to everyone and in every place. But certainly the flexible system now operated by the Canadian wheat board holds greater possibilities of fairness, of satisfaction and of efficiency than any scheme that has been proposed for interfering with the handling machinery along the lines of this bill.

8. If this bill had any desirable features it would become necessary to consider another problem, whether or not it would be constitutional and within the competence of parliament. The government has been advised to the contrary, not indeed with respect to this particular bill but with respect to other proposals for allocation of box cars which would govern competition between elevator companies. But there is no need for legal argument in this connection, or of any reference to the supreme court, since the bill is undesirable of itself, quite apart from any question of constitutional validity.

This question has been discussed with the grain companies, and particularly with the farmer-owned companies. There is, in fact, a very sharp division among farmer-owned grain companies as to whether or not any plan of the kind suggested by the bill is desirable. I may say there has been no division of opinion about the merits of this bill, because it is the unanimous view of all grain companies, including all farmer-owned grain companies, that this bill is unworkable. However, the idea of farmers' preference has been to the fore recently, and a number of discussions have been held by myself and my officials with grain companies, particularly with farmer-owned grain companies.

The farmer-owned grain companies have themselves not been able to produce a bill which they would be prepared to support. I have never received a draft of such a bill, and my officers have been told by the solicitor of one of the companies that he had been unable to draft such a bill.

The whole idea of fixing a method of distribution of box cars for all time is completely mistaken, because conditions change from time to time. It was only two years ago that the transport controller received a letter signed jointly by the Alberta wheat pool, Mr. A. T. Baker, manager; North-West Line Elevators' Association, Alberta division, Mr. E. I. Ward, chairman; and the United Grain Growers Limited, Mr. W. J. Garland, superintendent of elevators, which in effect asked that the principle of one car per elevator be reinstated. Perhaps I should read the letter; it might be interesting.

Mr. Argue: Is that their policy today?

Mr. Howe (Port Arthur): Well, I do know their policy of today, but what is going to be their policy two years from now? This letter is less than two years old.

Mr. Argue: Read recent correspondence.

Mr. Howe (Port Arthur): I have read recent correspondence, and I recognize an organized drive just as well as you do or anyone else does. We have had more of that from the province of Saskatchewan and no letters from anywhere else. If you think or anyone else thinks these letters are spontaneously written, perhaps you should give it another thought.

Mr. Argue: May I ask the minister a question? Does the Alberta wheat pool not support the Saskatchewan wheat pool in the ideas that have been presented about box car allocation?

Mr. Howe (Port Arthur): We know that ideas have been presented jointly, but as I say no wheat pool has submitted a bill for the consideration of the government which meets the approval of any one of the three wheat pools. I have not received such a bill up to this time.

Mr. Argue: Would the minister consider it if he received it?

Mr. Howe (Port Arthur): Well, that is not your privilege to ask. We have your bill before us. You have wasted a great deal of the time of parliament over it. If you would desist from your efforts in that direction there might be some possibility of drafting an amendment to the grain act that would satisfy at least some of the farmers, but with your bill before us there can be no such possibility. I rather think you have been told that by responsible leaders of farm organizations.

Mr. Argue: No, that statement is not correct.

Mr. Howe (Port Arthur): Either that statement is correct or—

The Acting Speaker (Mr. Applewhaite): Order. Perhaps the time has come when I should remind hon. members that during a debate remarks should be made to and through the Chair.

Mr. Howe (Port Arthur): The key paragraph in this letter is:

> Whereas the operation of car order books is not feasible under existing conditions and in any case is likely to favour the larger producer to the disadvantage of the small producer, it has been mutually agreed by all Alberta operators that,

during the 1953-54 crop year, temporary inequalities of distribution resulting from preferenced shipments shall be evened up at the earliest opportunity.

That was the situation that seemed desirable in Alberta for the crop of 1953-54, by unanimous consent of all the grain companies operating in that province. It may very well be the situation that the grain companies in that province would prefer in 1957-58.

The acute congestion seems to be passing; at least there is less congestion now than there has been for some years. Why, during a period of temporary congestion, attempt to freeze a system that may be wholly inapplicable for a period when no such congestion exists? That, I think, will appeal to every hon. member as not desirable, in the long-run interests of the producer in western Canada.

I do not think I need say more. I am perfectly sure that this bill, if enacted, would disorganize grain handling in western Canada to an extent that would tend to frustrate the efforts of all those who are attempting to do an efficient job of marketing the western producers grain.

We must have flexibility in the operation of country elevators and in the handling of stocks of grain contained in those elevators. It is true that when great quantities of grain were being handled the percentage of the Saskatchewan pool dropped several points from the percentage handled before congestion occurred. An effort is being made to reverse that trend, and I think the results of the current year will indicate that considerable progress has been made in that direction.

On the other hand, the percentage handled by the pool in Manitoba has not changed materially during the period of congestion. That is more or less true in Alberta, though I believe there has been some dropping off there.

Grain marketing in western Canada has been carried on under great difficulties. We have tried to handle five normal crops in a period of three years. The fact that there has not been greater dislocation is, I think, a credit to everyone concerned with the marketing of the western crop. I assure you that the efforts of all concerned are to give the greatest equality of marketing opportunity possible to producers in all parts of western Canada. I suggest that until some more perfect system is evolved than that provided for in this bill, parliament will be well advised to take no action in the matter.

Mr. W. G. Dinsdale (Brandon-Souris): The Minister of Trade and Commerce has indicated that the bill we have before us is tending to become a hardy perennial. I well remember the discussions on previous occasions when we had the bill before us, and I must say that only gradually has the significance of the problem impressed itself upon me.

The bill attempts to deal with the problem of grain distribution that has resulted from the congestion of the past three years. That problem has been concentrated largely in the province of Saskatchewan, with the result that Manitoba farmers have not been too concerned with the difficulties. For example, when we were discussing this matter of box car allocation in the agriculture committee last year I recall that the Manitoba representative of the pool elevator system disagreed with the representatives from Saskatchewan and Alberta. The position he took at that time arose from the fact that in Manitoba we were not faced to nearly the same extent with this problem of congestion. Since the meeting of the agriculture committee there has been a slight change in the attitude of the Manitoba farmers, particularly those doing business with the pool elevator system.

Just a few weeks ago I received a pamphlet dealing with this problem of box car allocation which puts forward in strong terms the necessity for a more equitable distribution. I note that this is endorsed by the three systems, the Manitoba pool elevators, the Saskatchewan wheat pool and the Alberta wheat pool which suggests to me that there is a change in thinking on this important subject.

For the first time I have been receiving letters on this matter. There was no ripple of concern at all in my constituency in the southwestern corner of Manitoba until the present year. I am interested to note that the aspect of the difficulty which is being protested against more than any other is in relation to those instances where you have the one for one distribution of box cars, that is, the formula where you have box cars spotted on the basis of one per elevator regardless of the normal pattern of grain business at any particular elevator point.

During the Easter recess I took the trouble to do some personal investigating in connection with this matter. Certain letters had come to me, and I went out to interview the farmers who had submitted those letters. I found that they had not any clear-cut thinking on a possible solution, but they certainly were unhappy because they could not do business with the elevator of their own choice. I discussed the bill which we have before us, but they were not personally acquainted with its provisions. If they were

familiar with its contents these would be more or less incomprehensible to them, as are the contents of most bills that come before this house, which are drawn up in legal terminology. The result is that they generally remain an obscure issue with the layman.

I can say frankly that there does not seem to be any general support for the solution of the box car allocation problem presented in Bill No. 22. The reason I rose to take part in this discussion was to indicate dissatisfaction over the present state of affairs. I am inclined to agree with the Minister of Trade and Commerce that there is no simple solution to the problem, nor will there be so long as the present congestion continues. We discussed this matter last year in the agriculture committee and there is to be another meeting of this committee within the next few days. I recommend strongly that we be given an opportunity to discuss this matter thoroughly in the committee.

The pool organizations have worked out an outline of a possible solution to the problem, and have placed this in the hands of certain hon. members. I received this outline with a covering letter from the Saskatchewan wheat pool over the signature of Mr. Robertson, the secretary. In this letter he stated:

> The three pool organizations have been working together on this matter for some time. An interprovincial committee, composed of the vice presidents of the three pool organizations, has on various occasions been in touch with a member of the government in an effort to secure adequate amending legislation to meet the situation.

Mr. Robertson goes on to state that the representative of the interprovincial pool committee from the Manitoba pool is Mr. George McConnell, vice president of that organization. They have made some suggestions as to possible solutions of this box car allocation problem which are much more comprehensive than the provisions of the bill before us. I would like to indicate what those suggestions are.

In order to establish a workable basis for individual farmers to deliver grain to elevators of their own choice, certain amendments would be required to the Canadian Wheat Board Act, and also to the Canada Grain Act. It is suggested, first, that a provision be inserted in the wheat board act whereby the wheat board would furnish yearly to the board of grain commissioners a list of growers who had delivered grain the previous year, together with their address and seeded acreage.

Second, that a provision be inserted in the Canada Grain Act to authorize the board of grain commissioners to send yearly to every such grower a form to be completed and returned stating his delivery preference; with this information the board of grain commissioners to determine a cycle of car distribution for each point, and to inform the appropriate elevator companies and the railways of such cycle.

Third, cars ordered within the period by the wheat board to be treated as part of the cycle.

Fourth, cars spotted but not loaded by the elevator company to be treated as part of its cycle.

Fifth, all grain in store in country elevators at the time the cycle comes into operation to come under its jurisdiction.

Sixth, the board of grain commissioners should also be authorized to make whatever regulations are required to enable any cycle to operate successfully.

That is a much more comprehensive treatment of the matter than we have in the bill before us. Certain local elevator operators have indicated to me that the ideal solution would be to have the local railway agent allocate cars according to his understanding of the local delivery situation. But it has also been indicated to me that the local railway agents are unwilling to take such responsibility, and I have a reply from the local agent at Fairfax, Manitoba, substantiating this. It was indicated to me that the agent answered that he could do nothing about it at all and quoted the grain act, the transport controller, the car order book regulations, etc. This letter from the secretary of the Fairfax co-operative elevator goes on to state:

> If he is correct, which we doubt, then why are laws not altered or clarified to bring this business up to date with the situations of today.

The local railway agent did not want to assume this responsibility because of the difficulties he would encounter in relation to the transport controller, the Canada Grain Act, etc.

Now, Mr. Speaker, unfortunately I cannot agree that this bill would solve the problem, because it introduces further rigidity into a system that is already too rigid under circumstances of congestion. The sponsor of the bill made a moving plea in his initial statement for greater flexibility in handling the movement of grain. He made a stirring plea that the processes of free competition and free enterprise might be allowed to operate among our farming community. That immediately put me on my guard, coming from that particular source; and I am afraid that if he is sincere in his advocacy of that particular viewpoint, I must conclude that this bill would not solve the problem.

I would repeat in closing that there is a growing demand from the farming community that something be done so the individual farmer is placed in a position where he may deliver his grain to the elevator of his choice. That demand will continue so long as the prevailing congestion is with us, and I would very strongly recommend that we take an opportunity to discuss this matter again in the agriculture committee. The pamphlet that has been sponsored by the pool elevator associations of the three prairie provinces would indicate that there is a change in the thinking of the Manitoba pool organization on this matter. I would certainly appreciate having the opportunity to consider this matter in broad perspective, and not confined as it is here to the relatively restricted terms of this Bill No. 22.

Mr. Argue: I wonder if the hon. member would permit a question?

Mr. Dinsdale: Yes.

Mr. Argue: I wonder if the hon. member would be prepared to say whether or not he would support a bill along the lines suggested by the wheat pool organizations.

Mr. Fulton: You draw up the bill and let us see it first.

Mr. Dinsdale: In reply to that question, I would have to see the bill before I would commit myself. Certainly the suggestions they have outlined would constitute a much more comprehensive approach to the problem than the bill at present before us.

Mr. Argue: Do you support the demands of the wheat pool organization at this moment?

Mr. Dinsdale: Yes, I would support the demand for a fair distribution of box cars, and I would certainly agree that the one for one formula is not adequate to deal with the situation.

Mr. F. S. Zaplitny (Dauphin): The principle of this bill is set out very clearly in the explanatory notes. I think it would be well to have it on the record again because of some of the things that have been said this afternoon and on the last occasion it was before the house. In the explanatory notes the principle is set out in these words:

> The purpose of this act is to remove discrimination in the allocation of box cars by providing in a new section of the car order book a rule for the fair allocation of box cars among elevator companies at a marketing point where the car order book, as presently constituted, is not in effect. By allocating their seeded acreage among the elevator companies at a marketing point, producers themselves will determine the distribution of box cars at that point.

I fail to see how anyone representing agriculture in this house could deny the value of that principle. Certainly, if the producers themselves wish to express a preference as to the elevator company with whom they want to do business, then they should be allowed to do so. The Minister of Trade and Commerce has opposed the bill, and strangely enough the basis of his opposition to the bill seemed to be that the philosophy behind it and behind the arguments used by members of this group has run counter to the philosophy of the Liberal party, which he states is competition. I am sure that statement will be examined with great interest by co-operators right across Canada, because now the minister has placed the Liberal party squarely on the side of competition and of course, by doing so, squarely against co-operation.

An hon. Member: That is nonsense.

Mr. Zaplitny: You cannot have it both ways, my friend. Mr. Speaker, I say that is a strange basis on which to oppose this legislation, because I have so often heard members of the Liberal party, from the prairies at least, attempt to take a great deal of credit for the setting up of the Canadian wheat board. What was the reason for the setting up of the Canadian wheat board in the first instance? It was exactly the same reasoning as was behind the setting up of the wheat pools and the co-operative handling of grain. It was a method of doing the marketing for the farmer in a co-operative manner rather than in a competitive manner.

Certainly if this philosophy expressed by the Minister of Trade and Commerce today on behalf of the Liberal party were followed to its logical conclusion it would mean the end of the wheat board entirely and a return to the old competitive system of the Winnipeg grain exchange. There is no other conclusion to which one may come. I would be very much surprised if the minister could persuade the grain producers of western Canada that it is a good thing for them to go back to a competitive position in the marketing of their grain.

Let us take, for example, a thousand farmers in a community. I am sure if the minister told them the best way they could market their grain was for each farmer to be always in competition with the 999 other farmers, we would hear some very interesting comments from the grain producers. We cannot get away from it. The line is very clearly drawn now. This group is trying to bring justice to the grain producers. We are squarely behind the co-operative principle, and we have no hesitation in saying

so. I support the co-operative philosophy right down the line. The minister takes his party down the line of competition. Of course it will be up to the people to choose.

Mr. Speaker, I see it is six o'clock. May I move the adjournment of the debate?

On motion of Mr. Zaplitny the debate was adjourned.

The Acting Speaker (Mr. Applewhaite): At eight o'clock the house will resume consideration of the business which was interrupted at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

SUPPLY

The house in committee of supply, Mr. Applewhaite in the chair.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

National parks branch—
295. Branch administration, $86,425.

Mr. Quelch: Mr. Chairman, just before five o'clock I had been quoting from an article by Mr. Turnbull, president of the Edmonton trout fishing club, and printed in "The Voice of Motordom", regarding what he considered the poor fishing facilities in the national parks of Banff and Jasper.

I have heard many reasons advanced why the fishing in those parks is of a somewhat poor character. I have been told by officials in the parks that it is largely owing to the fact that the water is too cold and greatly retards the growth of the fish. I have also been told that there is too much silt and that the silt affects the spawning. I have also been told that there is a lack of feed in many of the lakes. On the other hand many men who have had a great deal of experience in this matter in other national parks in other parts of the country feel that with a good program, with sufficient backing, it would be possible to greatly improve the situation.

In that same article Mr. Turnbull makes this comment:

> If your provincial government can do this wonderful work of restocking with such success, others can do the same. General conditions are the same, invested facilities in the park such as hatcheries, etc., are possibly better; the only thing that seems to be wrong is lack of management and experience.

Then he goes on to give the names of a number of men living in Jasper who he feels could give the government valuable assistance in helping to improve the situation. But personally I do not doubt for one minute that the department has men who are just as good and who know just as much about the question of improving fishing conditions as anyone else. Provided they were given sufficient backing, they could no doubt take care of the situation.

It is interesting to note the program that has been carried on of recent years in Alberta. There was a time when it was practically impossible to get trout fishing on the prairies, but today we find that there is great trout fishing in many parts of Alberta as a result of the new program, and that is so in spots similar in character to the park because they are in the mountains alongside the park.

I just want to read one or two quotations from "Within Our Borders" dealing with this question. The heading is "Large Trout Await Anglers in Small Alberta Lakes" and the article goes on to say:

> Small lakes in Alberta are providing an overabundance of trout fishing to such a point that the fisheries branch of the lands and forests department has had to appeal to anglers to fish the small lakes heavily.

I hope the day will come when the Minister of Northern Affairs and National Resources will also have to give that advice to people in the national parks. The article continues:

> Alberta fishery officers, looking for new places to plant trout where they would provide more and better fishing for the average fisherman, tried stocking prairie potholes which had no fish at all.

I would suggest to the minister that he might suggest to the provincial government of Alberta that if they have any surplus fish they might put them in some of the lakes in the national parks. The article continues:

> Because the lakes offer no facilities for spawning, regular restocking is necessary but before new fish can be planted, they must be fished out. The reason for this is that after the third summer the original fish stocked have grown so large that they dominate the lakes and their food supply, leaving no room for young fish.
>
> Alberta fishery officials have found that lakes with surface areas of between 80 and 200 acres are ideal for rainbow stocking. They can be stocked economically and are small enough to be fished out in time to allow a second planting of trout.
>
> If subsequent fish planted in the lakes are to survive, the previous fish must be all caught by the fourth summer from the time of stocking. If some of the originals remain, they have to be removed before new stock can be introduced to the lakes.

It is extremely interesting to note what has been done in that regard, and as a result we have this peculiar situation. We find that a number of the people living in Banff, which is looked upon by many people as a fisherman's paradise, when they want to go fishing go outside the park, either into Alberta or

British Columbia, in order to get fishing. I think it should be possible to improve the fishing in a number of the lakes by a greater program of restocking.

It is interesting to note that a few years ago certain parties in Banff asked permission to start a trout farm in the park. The former minister was greatly interested in that offer and he said he knew of a similar program in Nova Scotia which had been quite a success. At that time he seemed quite keen on the idea of allowing a trout farm to be instituted in Banff. But unfortunately his officials apparently had an entirely different view. They frowned upon the suggestion and drew up a number of requirements that had to be met before permission would be granted. All those requirements were fulfilled, yet in spite of that fact the plan was stalled and I suppose today the whole thing has been given up. I have not heard any more about it lately.

I quite agree that the type of fishing that would be provided by a trout farm would not be in the same class as that provided in the natural form. I think we would all much prefer to do our fishing in a natural stream or a natural lake rather than go to a trout farm for our fishing. On the other hand many families who go into Banff park are not in a position to wander up the streams for many miles. They have their children with them. To them it would be a great thing if they could go to a trout farm, fish and catch a few trout.

As I say, I do not think anything can compare with the joy of going up into the mountains, amongst the fine scenery, in the fine mountain air, to do some fishing. There is only one thing lacking in so far as Banff is concerned, namely fish. And after all, if you are going fishing you need some fish.

I am not suggesting there are no fish in Banff. We all know there are many places in Banff where there is very good fishing; but those points are a number of miles from the highway and, as I say, it is not possible for many people to enjoy that type of fishing. It generally requires equipment which is beyond the means of certain people, or maybe they have not the time to wander 15 miles or so off the beaten track. I therefore hope the minister will give careful consideration to a program of improving the fishing in the natural lakes.

I have met a number of Americans in Banff who have just been boiling mad. They received certain circulars about our wonderful fishing, and how our streams are teeming with fish. I met an American in the store one day. I was in there buying black gnats. He said, "There is no use buying those. I have over $1,000 worth of fishing gear, and I have not caught a fish yet."

Mr. Martin: You do not think he is alone, do you?

Mr. Quelch: No, he is not alone by any means. There are many of them. Again I will frankly admit that there are spots in Banff where there is good fishing, provided you have the time and the inclination to walk far enough to reach them. But in the lakes that are easily accessible the fishing, generally speaking, is very poor.

Mr. Knowles: Probably you would do better with a bent pin on the end of a string.

Mr. Quelch: That is true in a way. I have seen little boys, fishing in the Bow river with a worm and small hook, pull out fish; but they are generally small fish. A grown-up would probably throw the fish back because it would be below legal size. But being little boys they pop them in their pockets and go off home with them.

I have fished with practically everything you can think of, including dry flies, wet flies, nymphs, spinners, gentles, and anything else you like. I have even resorted to worms when I have been desperate; but even so, I found it rather hard to catch fish. I think I am what you might call an average fisherman. I do not claim to be a good one. I have caught plenty of trout in Banff, but the hours I spent in doing so were quite numerous. I have averaged about three hours for every fish I caught. I kept track of them, because in Banff they are very keen about having you fill in creel cards.

When you go fishing they tell you to fill in a creel card. First of all, I found that if I went to the repository for a creel card, as a rule there would be no cards there. Then by the time I got home I would forget to note down all the information. I notice in the creel card reports the time spent catching fish is tabulated, and the average would appear to be three-quarters of an hour or one hour per fish depending on the location. That information is not very accurate because people who go there and fish for hours and do not catch any fish do not bother as a rule to fill out a card. Consequently the reports do not give a very accurate picture of the situation.

There is one other suggestion I should like to make to the minister. The department should bring the "Anglers' Guide" up to date. I notice in that guide there is quite a bit of information that is very much out of date. For instance, they talk about crossing Massive bridge. Massive bridge went out several

years ago. There is no bridge there; yet the most recent issue still tells you to cross Massive bridge. There is no bridge to cross unless you can jump across a space of about 30 feet where two spans are missing.

That is all I have to say. I hope the minister will give the matter careful consideration. I know it is not the first time he has been approached about it.

Mr. Brooks: Mr. Chairman, I listened to the hon. member for Acadia, and all I can say is that the people in his part of the country had better come to New Brunswick national park, where they will really get some fishing. They will not have to fish for a week without any success, because we have some very good trout in our national park, both in the lake and in the different streams.

I do not intend to discuss that phase of our national park tonight. Ours is one of the newest national parks in Canada, if not the newest, and we are very proud of it. It was a very large undertaking and has been most successful. There were many roads and camps to be built. So far as recreation is concerned, there is a fine golf course and there are large picnic grounds. Every year the number of people visiting Fundy national park in New Brunswick is increasing.

We in New Brunswick feel that the man who was largely responsible for the excellent job that has been done there was the superintendent, Mr. Saunders, who was appointed a few years ago on the recommendation of Mr. McNair, I believe, who was then premier of New Brunswick. At the present time the people of New Brunswick, particularly those who are interested in the national park—and we all are—are quite concerned because they understand the superintendent is either to be retired or transferred to some other national park. I should like to ask the minister tonight what is the policy of the department with reference to the transferring of superintendents from one national park to another, why they feel it is necessary to make these transfers, and also what the policy is with reference to the retirement of superintendents of national parks.

I understand our superintendent was advised nearly a year ago that he was going to be transferred to a national park in Manitoba. He is a man about 59 years of age, and has given splendid service in the province of New Brunswick. He understands our situation there as no other man does, and there must be enormous expense involved in transferring a man with all his household effects from New Brunswick to Manitoba and transferring the Manitoba superintendent to the national park in New Brunswick. It seems to me a poor policy, and one which does not mean any betterment as far as the superintendents are concerned.

I hope the minister will be able to explain this matter satisfactorily because, as I say, the people of New Brunswick are quite concerned. Up until a little over a year ago there was no suggestion whatever of transferring the superintendent of the national park in New Brunswick to any other place, nor any suggestion of his retirement. Mr. Saunders has taken a very active part in the public life of his community. He has been active on practically all committees having anything to do with the betterment of the community, and a little over a year ago he was asked if he would run for the position of councillor in the parish of Alma in the county of Albert, where the park is located.

It may have been and probably was indiscreet on the part of the superintendent to take part in any kind of election, even a council election which is not supposed to be political in any sense of the word. Mr. Saunders allowed himself to be persuaded to run for councillor. He ran against a man who had been in office for a number of years and gave him a trimming. Shortly after Mr. Saunders was notified that he would be transferred to another park. The man he defeated in the election was chairman of the government organization in that particular part of Albert county, and is also a great friend of the former member for Saint John-Albert. The minister shakes his head. I am simply stating what the people in that section of the county and in New Brunswick generally feel. It is their opinion that this man was told he would be transferred to another national park simply because he ran for a council seat in this particular parish.

I hope the minister has a satisfactory explanation tonight, because we are concerned. Here we have had an excellent superintendent for our national park, a man who has given us one of the finest national parks in Canada, and at the age of 59 he is notified that he is to be transferred to Manitoba, that he and his family must take up their roots and go to another part of Canada. He has refused to be transferred to Manitoba, and now he is being retired at the age of 59. I understand his pension is going to be much less than it would be if he had been able to serve his full time.

I have met Mr. Saunders once, but he has never communicated with me in any way. I am simply giving expression tonight to the opinion of many people in my own town of Sussex, which is near the national park, people in the county of Albert and throughout New Brunswick who feel that a great

injustice has been done to a very fine public servant, a man who has given to this national park the very best he had to give. I hope the minister will be able to give a satisfactory explanation and will be able to say to me tonight that no injustice will be done to this man who, I believe, is being asked to retire before he has earned and can be paid the full amount of his retirement allowance.

Mr. Lesage: I have never asked Mr. Saunders to retire and I am sure nobody in my department has ever done so. He is retiring by his own choice, of his own will.

Mr. Brooks: Is it not because he does not wish to be transferred?

Mr. Lesage: Oh, yes; but it is the policy of the department to move superintendents around in Canada.

Mr. Brooks: At the age of 59?

Mr. Lesage: It is the policy at any age. I will read what I said in the committee with respect to the moving around of departmental personnel, in answer to a question by the hon. member for Calgary North; and may I point out that at the time Mr. Saunders was not being considered. First of all we were discussing wardens, then the hon. member for Calgary North asked me about park superintendents. Here is my answer.

Mr. Brooks: Just a minute. Is it not a fact he has only about six months to serve before he will receive the full amount of his pension?

Mr. Lesage: He is not retiring before 60. He is retiring at 60, but he takes his six months' leave before he reaches the age of 60. He will have his pension.

Mr. Brooks: What is the normal age of retirement?

Mr. Lesage: At the age of 60 a civil servant might wish, of his own volition, to retire. That is what he has done.

Mr. Brooks: I want to state this, Mr. Chairman. He was asked to move to Manitoba, and I think the minister will agree with that.

Mr. Lesage: Yes, he was asked to move.

Mr. Brooks: Because he did not wish to do so—and I do not think it was fair to ask a man of that age to do so—now he has to retire from the national park in New Brunswick. He did not wish to move his family to Manitoba.

Mr. Lesage: May I give my explanation, Mr. Chairman? I believe I have let the hon. member for Royal make his statement without interruption. May I say again that this department is not retiring Mr. Saunders. Mr. Saunders chose to offer his resignation when he was told that he would be transferred. Rather than be transferred he answered that he wished to retire at the age of 60, and his resignation was accepted. He will get his civil service pension.

May I quote the policy of the department as set out in the committee proceedings, and as I explained it when there was no question about Mr. Saunders. I am reading from page 638 of the estimates committee report:

> I believe it is a good thing to move superintendents around every five years or so for the following reasons: First, the superintendents will have gathered experience and they will go to a park with new ideas for that park. Secondly, psychologically when a man comes into a new post he will be wanting to make a good job of it. But after five, six, seven or eight years he might settle down and we are afraid he will lack imagination . . .
>
> Mr. Harkness: When you stay five years—
>
> Hon. Mr. Lesage: Five years or more.
>
> Mr. Harkness: I would be inclined to agree because I would not look on five years as being a frequent move.

When Mr. Saunders was told that he would be transferred in accordance with the policy of the department—it had been the policy before I became minister—he decided to retire. My predecessor in office, who is behind me now, is telling me that was his policy.

Mr. Brooks: How many have been transferred, may I ask?

Mr. Lesage: Since 1953 there have been five transferred, out of a total of 16 park superintendents.

Mr. Brooks: What were their ages?

Mr. Lesage: Age has nothing to do with it. We transfer them every five or six years. A man of 59 still has six years left, and the intention was to move superintendent Bryant from Kootenay park to Fundy and to move superintendent Saunders to Kootenay park.

Mr. Brooks: What was the date of that?

Mr. Lesage: The decision was in March, 1954. My predecessor just tells me—I came into the department in the fall of 1953—that there had been a question about moving Mr. Saunders before I came into the department, so it was not new. That was in accordance with departmental policy. No wrong has been done to Mr. Saunders. On the contrary, rather than be transferred he decided on his own to offer his resignation and take his pension. There is no injustice to Mr. Saunders.

Mr. Blackmore: I have no desire to detain the committee for very long. I wish to tell the minister that the Lethbridge federal riding thinks he is doing an exceedingly good

job. They greatly appreciated having him come out and visit them last year. They were delighted with the impression he made, and with the fact that he seemed to have learned everything there was to be known about Waterton Lakes park in the short time he was there. He seemed to fit right into the scheme of things. We bid him welcome any time he chooses to visit us.

We believe also that the progress that has been made during the last two or three years in connection with the park is satisfactory. I should like to take this opportunity of thanking the present Minister of Public Works, who was the predecessor of the present minister of northern affairs, for appointing to Waterton Lakes park as superintendent Mr. J. H. Atkinson. I think Mr. Atkinson's coming was the greatest blessing that ever happened to the park. I would be pleased to have the present minister forget to transfer Mr. Atkinson when his five or so years are up. Just let him stay on there, because he seems to fit into that park almost as well as the Waterton lakes do.

We feel that the amount of money that has been expended on the park this year is quite satisfactory. Indeed, we can understand that in a year in which the government has felt it necessary to save a little bit more money than they have in times past, they appropriated as much as seemed fitting under the circumstances.

We would like, however, to have more money next year, and for this reason. We feel that one of the essentials in making Waterton Lakes park the dream park which we all, including the minister, wish it to be, would be a fine swimming pool in the park. This should not be a swimming pool alone, but a building in which people could take refuge in case of stormy, windy, cold or wet weather which sometimes comes to that part for two or three days. We believe that a fine building, erected as an attraction both winter and summer to house a swimming pool, would be so great an asset to that park that the necessary money, probably $300,000 or $400,000, would be money exceedingly well spent. We would ask the minister to do all he possibly can to impress the treasury board with the idea that they should extend themselves a little for a year or two while they build that swimming pool.

I think nothing more needs to be said, except to report to the minister that, so far as I know, everything in Waterton Lakes park is going along as well as could be expected. We are just waiting for the days to come and go while we grow in Waterton Lakes park. While I do not propose to contest what the hon. member for Bow River and several others have said about their respective parks being the very best, I would probably question the standard by which they judge parks.

In closing I would point out that Waterton Lakes park is of exceptional importance because it is the front window of Canada in that particular area. It is right down against Glacier national park, being located at the extreme southwest corner of Alberta. It is the park to which United States tourists come to get an impression of Canada, which impression will cause them either to go far into the interior, away into the northland, or turn around and go back. We all want them to go far into the interior, away into the northland. We say, therefore, let us pay particular attention to making Waterton Lakes the very finest park in Canada, whether or not it is so now.

Mr. Regier: I should like to once again raise a matter I mentioned in this house a year ago. I noticed that after the last session the minister spent some time in making a number of visits to some of our national parks. I should like to recommend that the next time he comes to British Columbia he pay a call on the minister of fisheries there and ask that minister to take him on a tour of a provincial park. He will probably have to go by saddle horse. I am referring, of course, to Garibaldi provincial park, which I feel is a park that, once developed, would be Canada's leading national park.

Last year I asked the minister about this, and he expressed the interest of his department in taking over from the provincial government the responsibility for the development of Garibaldi park. The minister stated some conditions that would have to be met before his department could consider taking it over. One condition was that a first-class highway be constructed to the entrance of the park. We have a first-class highway, the Lougheed highway, that runs to within two or three miles of the southern entrance to Garibaldi. I think the minister had in mind at that time a first-class highway that would give access to the northern entrance. I understand that the government of British Columbia is now proceeding with the Howe Sound highway, and this highway, when completed, will give access to the northern entrance of the park. Therefore that condition is being met.

The other condition mentioned was that the provincial government be prepared to hand over all interest in the park, and this would include all interest in the mineral

resources. I understand that former governments of British Columbia—not the present government—when considering this matter always hesitated to hand over the mineral rights to the federal government. There was the feeling that possibly they were handing over to a higher level of government untold millions of dollars by way of future mineral royalties.

As one of the daily newspapers pointed out only some six months ago, this would be a very shortsighted policy for the government of British Columbia to adopt. While 50 years from now they might obtain $10 million, $15 million, or even $20 million in royalties from minerals that might be found at that time, in the meantime the provincial coffers were annually losing untold millions of dollars from tourists who would visit this park if the development were begun now. I hope that attitude of former governments of British Columbia is not being adopted by the government we now have in British Columbia. I hope the minister will be able to report some progress in the negotiations, or at least be able to report that over the past year he has commenced negotiations.

I would not like him to think he has to leave the initiation of such negotiations to the provincial government. The development of Garibaldi park is beyond the resources of the government of British Columbia. We cannot begin to develop Garibaldi park for less than $30 million, and the government of British Columbia simply is not in a position to begin spending that kind of money on one item. It would be in the national interest to develop this park. I say this, and I have endorsation of it in statements made on other occasions in other places by the Minister of Fisheries. Garibaldi park has the potential to become one of the most famous parks not only of Canada but of the whole world. I believe the Minister of Fisheries is responsible for saying that while he had looked at practically all of the world's famous ski resorts, not one of them, even those in the Alps mountains, would be able to hold up against this park in British Columbia if it were developed.

One of the first things necessary for that development, of course, would be a highway from the southern end right through the park to the northern end, and that is where many millions of dollars enter the picture. It is possible that a bridge would also have to be constructed across the Fraser river at Haney to handle the tourist traffic we would be sure to have from the south.

I would also very much like to see Garibaldi park developed as a national park soon. I am not opposed to, and I endorse, the development of the national parks we now have in Canada, and I would like to see even more developed, but in the lower mainland most of our people live within a hundred miles of the city of Vancouver. Out of a population of 1,250,000 people in the province, some 750,000 live within a hundred miles of Vancouver. These people have only limited park facilities available to them. On Sunday about the only place they can go is to Stanley park; and if you visit Stanley park on a Sunday afternoon you find the place is literally crowded with people. It has reached the stage that if you want to relax in Stanley park you have to go there on a Monday or a Tuesday, when most people are at work. It is urgent that we have park facilities available offering fairly easy access to the 750,000 people.

It is all very well to say that British Columbia has national parks. The national parks in British Columbia are hundreds of miles removed from where most of the people live. In our lower mainland area we have tens of thousands of people who have no means of transportation available. These people receive absolutely no advantage from the development of our national parks that are away off in the Rocky mountains. It is on behalf of those people in the lower mainland who need the park, who have not the wherewithal to spend several weeks hundreds of miles away from home, who would be glad to make use of public transportation facilities at a cost of 75 cents or a dollar, that I speak. It could become one of the most wonderful playgrounds of the Dominion of Canada.

On behalf of these three-quarters of a million taxpayers of Canada, I urge that further negotiations should take place. If the negotiations have not yet begun I hope they definitely will begin, and that this government will not wait for the government of British Columbia to take the initiative in this matter.

Item agreed to.

300. Grant in aid of the development of the international peace garden in Manitoba, $10,000.

Mr. Dinsdale: I hear groans coming from the backbenchers, but I assure the groaners that I shall not carry on at any great length with this subject. I mentioned this topic during the discussion in the committee on estimates. The only reason I raise it now is that I know the minister would be disappointed if I did not make some reference to it, and I know that at least the chairman also would be disappointed, because he is one of those fortunate men who had the opportunity during the past summer to visit

the international peace garden on the Manitoba-North Dakota boundary.

I want to express appreciation to the Department of Northern Affairs and National Resources for continuing this $10,000 grant in aid of the development of the international peace garden, which began as a voluntary effort on the part of the peoples of Canada and the United States to symbolize the universal desire for peace. The cairn marking the spot, which was dedicated in 1932, is inscribed as follows:

To God in His Glory

We two nations dedicate this garden and pledge ourselves that as long as men shall live, we will not take up arms against one another.

I should point out that the garden which began as a symbol of the universal desire for peace has now developed into one of the outstanding tourist attractions in the mid-continental area of North America. I have often heard travellers in Canada say they like to visit the scenic spots in the Rocky mountain district or that they enjoy travelling in Ontario, Quebec and the maritimes, but they indicate they are not too inspired with our flat, level prairies in the centre part of the country.

Here is a development which has offset that vacuum in tourist attractions which has existed in the centre of our country. Not only from the standpoint of its own scenic beauty but also from the standpoint of its symbolic appeal is it drawing increasingly large numbers of tourists. Although this is not a part of our system of national parks it certainly can be regarded as an extension.

I would venture to say that the fact Riding Mountain national park attracted 500,000 visitors last year was due in large part to the visitors who were interested in the international peace garden and then continued on some hundred miles further north to the Riding Mountain national park.

In reality the international peace garden is an international park and today it is creating world-wide interest. It is because of this growing interest that I venture to say a few words tonight so the matter may be kept before hon. members of this house and the people of Canada as a whole.

As I have indicated, this is a co-operative effort by the peoples of Canada and the United States. I should like to compare the support we are giving this garden to that given by the United States. Their grant amounts to $100,000 for a period of three years, which means that they are providing $33,000 per annum as against our $10,000. As indicative of the significance of this international peace garden I might say that the state of North Dakota is adding to its automobile licence plates the phrase "the peace garden state". That form of publicity will go a long way in popularizing the development among the peoples of North Dakota and the United States as a whole.

One further comment on this item. I notice that the grant for the national battlefields commission is being increased from $100,000 to $125,000 and also that the grant to provide for special work at national battlefields park, Quebec, is being increased from $6,000 to $8,000. Just in case they have forgotten, I should like to remind hon. members of the committee that up until three years ago the annual grant to the international peace garden was $15,000. Then it disappeared for a year and was restored at the reduced rate of $10,000 per annum. As an investment in the cause of peace I believe this development is unparalleled. Moreover, I should like to emphasize that every dollar expended in the development of the garden will be returned in manifold ways because of its powerful attraction as a tourist centre.

It is my belief that in the not too far distant future we shall see the United States establishing a suitable building as a museum on their side of the garden area. The question of making the international peace garden a national arboretum is under consideration, and inevitably Canada will be forced to think along the same lines if this development continues to capture the imagination of people on both sides of the border as well as people throughout the world.

Mr. McIvor: Mr. Chairman, I want to back up what the hon. member for Brandon-Souris has said. I lived in Souris for six years, and those with whom I was associated were intensely interested in this park. The latest report I have had is that the superintendent of the park treats the tourists so well that they want to come back again.

Mr. Pommer: Mr. Chairman, I should like to say a few words in support of what the hon. member for Brandon-Souris has said. This is one time when I can support a proposal of my hon. friend, and I do it with a great deal of pleasure. The hon. member has covered the history and background of this worthy project, and I would like to ask the minister to consider increasing the grant. As has been pointed out, the United States grant is $100,000 for three years, whereas ours is $10,000 a year. I believe the grant should be doubled, not only from the tourist attraction standpoint but because of the great work that has been done in this international peace garden.

I am not going to repeat what the hon. member for Brandon-Souris has said, but I should like to quote the last paragraph of this pamphlet giving the history and progress of the international peace garden, this being the revised edition for 1953. It reads:

> Perhaps the most encouraging aspect of the year has been the realization of internationalism in the garden. Not only has there been over three times the number of visitors of the previous year, but they have come from 48 states and 10 provinces on this continent, and nine countries of the world beyond. In June, there was a pilgrimage of the National Council of Women of Canada, during their convention, to the garden; and in the fall, the Associated Countrywomen of the World sent delegates from many countries to the garden. An international relations conference of students from the Minot state college of North Dakota and the students of Brandon college, Brandon, Manitoba, added further significance to the garden; while the annual meeting of the garden itself in early September forms the focal point of the year's work. Through the international addresses of prominent people of both countries at this time the citizens get the "timeless vision that peace is something to cherish, that it is something one has to work for, and that here people are working to erect not statues and memorials to commemorate victory in war or valor in combat, but instead a lovely garden to honor and laud peace itself."

For that reason alone, if for no other, we should make a little greater contribution than in the past.

Mr. Knowles: Mr. Chairman, just to make it unanimous may I join with my friends from the province of Manitoba in supporting the expressions of appreciation and the appeals they have made. I am very glad this grant was restored a year or two ago. In my view those who preceded me are perfectly right in their suggestion that we might well increase the amount of the grant to the international peace garden.

Item agreed to.

303. Canadian wildlife service—wildlife resources conservation and development, including administration of the Migratory Birds Convention Act, $455,703.

Mr. Herridge: I should like to make a few observations on this item. Before going on to the particular matter which I rose to mention, I wish to say that I listened with great interest to the hon. member for Acadia, and after listening to him I can fully appreciate now why he is called the Izaak Walton of the Social Credit party. I suggest to the member that it would be much less expensive to visit Kootenay West if he wants to catch some fish, rather than to spend all that money in the area the hon. member mentioned.

However, the hon. member for The Battlefords was called away unexpectedly this afternoon and he asked me to bring to the minister's attention something of particular interest to some of his constituents as well as persons in other parts of Canada. He has received representations from various people protesting the use of steel traps in the Northwest Territories. The argument in favour of these representations by these people is that, while we live in a Christian civilization, we still promote primitive and cruel methods of trapping, particularly the use of steel traps in the Northwest Territories.

I am informed that, owing to the length of the trap lines, the traps are frequently not emptied for a month at a time. Naturally this causes days of suffering and a great deal of misery to the fur-bearing animals. They slowly die from their injuries or from starvation in the cold. The hon. member has asked me to bring to the minister's attention the fact that the law in the United States at the present time requires that every trap in a registered trap line must be visited at least once every 24 hours.

Anyone who understands anything about trapping—and I had a 15-mile trap line myself at one time—will realize that that is impossible. I am informed that in Norway, Sweden, Denmark and Germany steel traps for the trapping of fur-bearing animals are completely prohibited by law. They have replaced the system of steel traps. A more humane form of trap has been found quite satisfactory by the trappers in those countries.

The hon. member for The Battlefords brought to my attention, before he left this afternoon, that last year the Prime Minister of Canada sent a special message of best wishes to the Ottawa organization of the "Be Kind to Animals" week, and expressed his interest in the efforts of the organization to promote the humane treatment of animals. That is a clear indication that the Prime Minister of this country is very much interested in that question. I think you can relate the catching of fur-bearing animals with steel traps to that sort of approach to the question of the humane treatment of animals.

I realize all the difficulties connected with this problem. As I said before, I have done some trapping myself, and it is not so easy to find a replacement as one might imagine if one has had no experience in that line. But those making representations to the hon. member for The Battlefords suggest that the department would be well advised to investigate the methods used in other countries, particularly the countries I have mentioned, where they have completely abolished the use of steel traps for the catching of fur-bearing animals and now have a humane form of trap. The department could investigate the possibilities of replacing steel traps in the Northwest Territories and the Yukon and, as

they were gradually replaced, assisting the trappers to purchase the new form of humane trap by means of a subsidy after the fashion of the subsidy given to Quebec farmers to purchase aluminum pails for the gathering of sap.

I bring these matters to the attention of the minister at the request of the hon. member for The Battlefords. I suggest that the minister go into the whole question and have it investigated, and possibly set a target date for the elimination of the use of steel traps for the catching of fur-bearing animals, because of the cruelty involved therein.

Item agreed to.

Engineering and water resources branch—
305. Branch administration, $54,283.

Mr. Harkness: I believe this is the point at which the hon. member for St. Paul's was told previously by the minister that he should bring up the matter about which he had begun to speak in connection with flood warnings. As he was unable to be here tonight he asked me to raise this matter.

The hon. member for St. Paul's is of the opinion that the great loss of life which occurred owing to "Hurricane Hazel" in and around the vicinity of Toronto could very well have been prevented if the people in those low-lying valleys had had a few hours' warning of what the height of water was likely to be as a result of the very heavy rains which had occurred. He was also of the opinion that this rainfall was known to the meteorological officers, and that warning could have been given. He asked me to take up the question with the minister as to whether any arrangements exist or have been put into effect since that time to give people warning of what height of flood water may be expected following a heavy storm.

We all know, of course, that once the water has fallen it takes a considerable length of time for the run-off to go down and reach an area such as that around Toronto where all this flooding took place. That provides sufficient time, as long as warning is given, for the people to evacuate any low-lying areas; or, if they are not willing to evacuate them, it gives sufficient time for the police to forcibly take them out of those areas, thus avoiding tragedies such as those which took place in the Toronto area.

Mr. Lesage: Mr. Chairman, the responsibilities and duties of the water resources division were explained at length in the committee, but I do not recall that that question of flood warning was raised there.

Mr. Harkness: No.

[Mr. Herridge.]

Mr. Lesage: What was mentioned in the committee was that this department, through its water resources division, was co-operating with the provinces in collecting the readings and gauging the levels of the streams all the year round. We communicate to the provincial authorities the readings of the levels of the rivers at regular intervals and, when the water rises, communications are more frequent. As a matter of fact this is done regularly for the Columbia river, the Bow river, the Fraser river, the Assiniboine river and the Red river, among others, but in the case of the Humber river I would have to look into it to ascertain if we have gauging stations on that river. We have some gauging stations on the Humber, but there have never been any flood warning arrangements there.

Mr. Harkness: Might I ask the minister this question. In all those areas where they have these gauging stations and where there are low-lying river bottoms where possibly serious damage, serious loss of life and so forth could take place in the event of a flood, cannot a warning system be instituted in order to prevent this sort of thing in the future? I refer not just to Toronto but any place else in the country.

Mr. Lesage: I was just discussing that matter with my officials. We will look into the matter and will co-operate fully with the provinces so they may be advised constantly of the water levels, especially when they rise suddenly.

Mr. Trainor: I should like to call the attention of the minister to the serious condition that exists in Saskatchewan and Manitoba as a result of the flooding of the Assiniboine river. The drainage basin of that river covers a large area, namely some 60,000 square miles. Owing to the fact that the river runs through a country with alluvial soil, it is subject to silting. As a consequence the river bottom has been rising and the river has been subjected to flooding almost yearly, of late years, with a great deal of damage to farm lands—

Mr. Lesage: On a point of order, Mr. Chairman, may I say that the Department of Northern Affairs and National Resources has no responsibility at all for flood damage. As I explained in the committee, the only responsibilities of the water resources branch, as far as rivers across the country are concerned and the levels of the rivers, are to study those levels by engineering surveys for development of the rivers and also, in co-operation with the provinces, to establish some gauging stations and to read the levels. The responsibility for flood prevention and

flood damage does not come under this department at all. There is no item which covers that matter.

Mr. Trainor: Mr. Chairman, I am not suggesting that the department assume any responsibility for flood damage. However, I am assuming that the department have a certain responsibility for flood control. The minister himself has indicated that they have some responsibility for surveys in co-operation with the provinces. I suggest that in these estimates there is an item indicating an expenditure for damage on the Conestogo river. How would the minister classify that expenditure?

Mr. Lesage: This was for water conservation, under a special agreement that was made with the government of Ontario under which we provided 37½ per cent of the cost. There is a special item for that expenditure in the estimates. This was not especially for flood control but for water conservation.

Mr. Trainor: The item referred to by the minister is item 310. I shall read it for his benefit:

To provide for a contribution to the cost of constructing a dam on the Conestogo river near Glen Allan, Ontario, for the purposes of flood control and water conservation, in accordance with the terms of an agreement entered into between Canada and the province of Ontario.

Mr. Lesage: Yes, but flood control is still a provincial responsibility. Unless we have a request from a provincial government for participation under the Canada Water Conservation Assistance Act there is no responsibility on the part of this department for flood control. The present situation on the Assiniboine river has nothing to do with this department, or I should say this department has nothing to do with the present situation on the Assiniboine river. That is better.

Mr. Trainor: I would suggest, Mr. Chairman, there is a possibility that the provincial government might seek the assistance of the minister's department in the same way the government of Ontario sought it in connection with the Conestogo river.

Mr. Lesage: All right. When we have it we will consider it.

Mr. Trainor: Perhaps it would not be amiss if one might briefly state what P.F.R.A. have recommended.

Mr. Lesage: That is the Department of Agriculture, Mr. Chairman.

Mr. Trainor: One does not know whether the Department of Agriculture will do anything. They have made engineering surveys and a recommendation. But the Department of Agriculture are not doing anything. As a consequence, year by year the farmers in the Assiniboine river area are obliged to suffer this flood damage. This is costing them millions of dollars year by year.

I could, of course, take this matter up under the estimates of the Department of Agriculture, but I suggest that possibly the minister's department might collaborate with the Department of Agriculture or with the provincial government in some way, as was done in Ontario, so this condition could be ameliorated. However, if the minister does not want to hear such a recommendation I do not suppose I have any alternative but to desist.

Mr. Patterson: Mr. Chairman, there is one matter I should like to bring to the attention of the government at this time. I have reason to assume that it fits into this particular part of the debate. However, if I am out of order I am sure I shall soon be reminded about it.

The matter has to do with a situation existing on the Vedder river in British Columbia. In this connection I had submitted to me a brief containing letters starting at May 15, 1952 and bringing the matter right up to a very recent date. These communications are between Mr. Mulford, the clerk of the corporation of the township of Chilliwack and Mr. Cruickshank, a former member of parliament, and also between other officials of different departments.

Just to bring the matter to the attention of the committee I should like to read a brief section from a letter written by Mr. Mulford, the clerk of the corporation of the township of Chilliwack, to Mr. Cruickshank, dated May 15, 1952. It is as follows:

I understand you are aware of the proposed scheme to define and construct a permanent channel for the Vedder river, between the Vedder canal and the Vedder crossing bridge. The interested parties to this scheme at the present time are the provincial government, district of Sumas and the township of Chilliwack.

In the past, the river between these points has been allowed to wander, eating away at the banks and causing periodic flooding. Also there is always the danger of the river jumping its banks and flooding that area between Sardis and the canal in the township, thereby severing the trans-Canada highway, or moving through Yarrow and thereby flooding Sumas municipality.

That is just part of that letter. As I have intimated, I have other communications under various dates with reference to this matter. On August 2 there is a letter signed by Mr. Cruickshank and directed to Mr. Mulford. It reads as follows:

Re: Vedder river project.

The latest that I have from the Minister of Public Works re the above is as follows:—

This correspondence has been carried on with various departments.

—"In view of the interest as represented by other dominion government departments, I am not in a position to make any statement at present but am referring this matter to the other departments concerned to learn if they have any responsibility in contributing to the cost of the project if the latter can be shown to be the responsibility of this federal government."

On October 29, 1952, there was a letter from K. W. Morton, district engineer of the Department of Public Works, to Mr. E. S. Jones, deputy minister of the department of public works of the province of British Columbia. This letter sets out the attitude of the various departments of the government of Canada with respect to this project. I am not going to take time to read it all, but with respect to the military establishment, the Royal Canadian School of Military Engineering at Chilliwack, it states:

This area also was not affected by the 1948 flood. Indeed during the period of this flood the Vedder river did not rise beyond the existing dike at this spot and the camp was at no time threatened.

It also refers to a letter from the Minister of National Health and Welfare in which it was stated that without having information from officers on the spot it was difficult to make a comment, but if his memory served him well the hospital—referring to the Coqualeetza Indian hospital—was not involved in the severe flood of recent years.

The Deputy Chairman: Order. I am going to ask the hon. member's co-operation. The Chair in these cases finds itself in a rather difficult position, because sometimes we do not have detailed knowledge of what are the duties and responsibilities of the departments. I would draw to the attention of the hon. member for Fraser Valley that it is the estimates of the engineering and water resources branch of the Department of Northern Affairs and National Resources that we are considering at the moment, and that the responsibility, if any, of the federal government for river bank protection and flood control as such does not, I believe, come under this department. Engineering studies for the purpose of making provision against such calamities do.

Not more than a few moments ago the hon. member for Winnipeg South Centre agreed with the minister that the matter of flood control on certain Manitoba rivers and the liability, if any, of the federal government in connection with floods should not be discussed under this department. I realize the hon. member for Fraser Valley will most likely point out to me that three or four items further on there is a specific item dealing with surveys and investigations in the Fraser river basin, and I think the river he is now discussing comes within the Fraser river basin.

However, I take it the committee will not mind if I put the matter this way. There are a great many rivers in Canada which may flood, and I do not believe it is within the duties of the committee to discuss flood damage, and certainly not flood consequences, on these items. I am not ruling the hon. member out of order. I am asking him to bear in mind the remarks I have made, and I would ask that if he and other members who have rivers within their jurisdictions consider it necessary to bring to the attention of the minister of the department the necessity for surveys or investigations in connection with possible flood control, they do so as briefly as possible.

The consequent results to the trans-Canada highway or any other installation do not, I think, come within the ambit of the Department of Northern Affairs and National Resources. The Department of Public Works might be given the duty of building protective works, but certainly it is not the Department of Northern Affairs and National Resources which can accept liability for the federal authority, as has been done in previous cases in the Fraser valley and other places, as the result of calamity. I think hon. members will realize the difficulty in which both the minister and myself find ourselves, and will co-operate.

An hon. Member: He will be as brief as possible.

Mr. Patterson: The reason I raise this matter under these estimates is that there has been correspondence with the Minister of Northern Affairs and National Resources in this connection, and personal representations have also been made to him. However, if that is the ruling of the Chair I shall abide by it.

Perhaps I might conclude the matter very briefly. As I have intimated, I have had these different communications with reference to the various installations in that area. The matter has been brought to the attention of the department on a number of occasions, but apparently up to the present time the minister has not seen his way clear to accept any responsibility in connection with the situation on the Vedder river. We have presented different plans, and I am going to request the minister to reconsider the submissions that have been made asking for assistance with respect to this project. It is of considerable magnitude, and certainly the municipalities are not able to handle it. A great deal of inconvenience and damage can

result to the surrounding areas, and on behalf of the people there I ask the minister to consider the whole situation again.

Mr. Lesage: I shall with pleasure, and I will certainly write the hon. member to let him know of my decision after reconsideration.

Mr. Monteith: Could the minister tell me what stage has been reached in the consideration of the brief presented by the upper Thames valley conservation authority?

Mr. Lesage: The government is considering the matter.

Mr. Monteith: That was the reply the minister gave me in the committee. I presume some further consideration has been given since that time, has it?

Mr. Lesage: Further consideration has been given in the department. I just said that the government was considering the matter.

Item agreed to.

308. To provide for studies and surveys of the Columbia river watershed in Canada, $641,360.

Mr. Hahn: I do not think this expenditure is completely justifiable. My reason for saying so is the evidence that was submitted to the estimates committee on March 24. I should like to read certain extracts from that evidence to substantiate my statement, and also a newspaper report of a statement attributed to a member of the international joint commission on fisheries. At page 493 there is the following:

Mr. Thatcher: I see, and the item above—topographical services—shows a substantial increase. Would that be for the same reason?

Hon. Mr. Lesage: I mentioned that there was an increase of $250,000 in respect of the study of the feasibility of the diversion—$100,000 for topographical services, $50,000 in drilling investigation, and $100,000 for other professional and special services. We are pretty sure we shall have to go outside our department to have a good part of this work done under contract, for the reason which I have explained, namely, the lack of technical staff.

Mr. Thatcher: Will this increase be likely to do this work?

Hon. Mr. Lesage: We believe it is a beginning. We do not know exactly when it will be possible to give the answer.

Mr. Harkness: It is likely to continue for more than one year?

Mr. Patterson: I think with regard to the diversion study, this year's investigation could show that it was not feasible. In other words we could get information in the first year, in a negative way, to see that there would be no point in going any further.

I am not going to misconstrue that into saying the department thinks at the outset that the project is not feasible.

But if the information which we obtained this year were promising, and particularly if it were a border-line case, we would have to conduct further studies before we could actually determine whether this project was feasible or not, and then it would be quite likely we should need to continue for another year, or maybe for two years.

Mr. Thatcher: Is the reason you wish to divert this river—

Hon. Mr. Lesage: We do not at this time "want" to divert this river. It is not our responsibility for the present to do more than find out whether it would be economically feasible.

Mr. Thatcher: Do you want to divert it so you can use water which the Americans would otherwise use?

Hon. Mr. Lesage: In order to regulate the flow of the Fraser river and have some power sites on the Fraser river which are impossible now.

That is the important part of the question so far as I am concerned. The suggestion is that we might have power sites on the Fraser river. Lest there be any mistake as to interpretation, later the hon. member for Calgary North asked this question:

Mr. Harkness: And your dam sites would be on the Fraser?

Hon. Mr. Lesage: The possibility would be that there would be a series of sites on the river.

On Saturday, April 23, the Vancouver *Herald* had this to say about power sites, and I quote the heading, "Reid Warns Dams Will Kill Salmon Industry; Fish Must Be Protected Against Obstacle Course." The article reads:

Individual dams or series of dams in the Fraser river would kill the multi-million-dollar sockeye salmon fishery, as long as no method of protecting the fish is found, Senator Tom Reid told the *Herald* Friday.

Mr. Lesage: Could I ask the hon. member to say who signed this article, and to describe what his knowledge is as to the effect of possible dams on the Fraser river on the salmon fisheries? I should like to know what importance we have to attach to the article from which the hon. member is reading.

Mr. Hahn: If you will just let me continue to read it, you will discover.

Mr. Lesage: I have a right to know who signed that article—

Mr. Hahn: Senator Reid.

Mr. Lesage: —and what his qualifications are.

Mr. Hahn: Senator Tom Reid.

The senator was commenting on a recent proposal of General A. G. L. McNaughton, that water be carried from Columbia river to the Fraser by means of a series of dams, for hydroelectric power purposes.

Some hon. Members: Oh, oh.

Mr. Hahn: I see the minister is highly amused at the statement that it could be Senator Reid. Senator Reid is chairman of the international Pacific sockeye commission. I think possibly it might be highly amusing to the minister to discover that the chairman

of an international commission for the protection of sockeye salmon is somewhat disturbed about the possibility that there might be a series of dams on the Fraser river. I feel that the senator has had considerably more to do with the fishing industry than any other member in this house. He had a considerable amount to do with the installation of the method of getting these fish up the Fraser river past Hell's Gate at an earlier time when there was considerable difficulty in protecting the salmon.

I wonder just exactly what investigation has been made at this time to ensure that there will be protection for the fishery on the Fraser river.

Mr. Lesage: That is what the whole study is for, and that is why I was asking who the expert was who could say in advance what the result of the surveys will be. The surveys are for the purpose of indicating, among other things, if it is possible to divert the waters of the Columbia river into the Fraser river without endangering the fisheries of the Fraser river. They will indicate also if it is economically feasible and advantageous, but the first condition is that it does not harm the fisheries. That is exactly why these studies are going to be made, and that is why I was surprised to hear that somebody already had the answer before the surveys were made.

Mr. Hahn: Are you planning to discover whether you can divert the river before you discover whether or not the fish can make the grade up half a dozen dams on the Fraser river?

Mr. Lesage: It is all part of the study, because the effect on the fish depends on the height and character of the dams and on the volume of water that might be diverted. The whole study is integrated. You cannot give an answer to one part of the question without giving an answer to the whole question.

Mr. Hahn: That is why I am objecting to this particular expenditure, because you are now proposing to take water from the Columbia river to a particular spot up on the mountainside, and then divert it down into the Fraser, without knowing first whether or not the fish will live.

Mr. Lesage: I have to interrupt the hon. member because I did not say we were proposing to divert the waters of the Columbia to the Fraser. I said we would ask parliament to provide the money to study the possibility of that diversion, to see if it would be possible to divert these waters to the economic advantage of Canada without endangering the salmon fishery of the Fraser. It seems to me that is pretty clear.

[Mr. Hahn.]

Mr. Hahn: It is quite clear that you do not want to divert the river at this time, you just want to spend money to find out if it is feasible.

Mr. Lesage: Without endangering the fisheries.

Mr. Hahn: Before wondering if the diversion is feasible, why not find out if the salmon will make it?

Mr. Lesage: We know the diversion is physically possible, but what we are looking for is the answer—

Mr. Harkness: What is physically possible is financially possible.

Mr. Lesage: I do not want to get into an argument about economic theories tonight. We want to know if it is economically feasible, without endangering the fishery; we know it is physically possible.

Mr. Hahn: You know it is physically possible, then why have you put in here that you want to discover if it is feasible?

Mr. Lesage: Economically feasible.

Mr. Hahn: I would suggest, Mr. Chairman, that before looking into the economics of it we should discover whether or not—apparently the minister meant economically possible, though he did not say so in his answer—the salmon industry is going to be destroyed. This fact could be discovered through the international commission without spending this sum of $641,360. If the fish cannot make the grade, as I said earlier, we are just throwing this $641,360 down the drain.

Mr. Green: My question concerning this item, Mr. Chairman, is a little different from that of the hon. member for New Westminster. As the minister knows, a lot of impatience has been developing with regard to this Columbia river basin. The provincial government is in a great hurry to get projects moving in that area, and the United States interests seem to be in a great hurry as well. I am wondering whether the amount of this vote is such that there can be some speeding up of the investigations into the Columbia river basin in Canada. We have understood from General McNaughton that it will be some years before this survey is completed. I do notice that the vote this year is considerably higher than the vote last year. Is there any way in which the investigations can be brought to a conclusion at an earlier date than had been expected?

Mr. Lesage: Mr. Chairman, may I say we hope that by next year we shall know definitely whether a diversion is economically feasible under the conditions I just mentioned.

Suppose that diversion is not feasible. Then we shall know right there that, whatever the total plans for the Columbia are, a dam at Mica creek could be built. That is what I am informed by General McNaughton.

Mr. Green: You know that now, do you not?

Mr. Lesage: Yes, we know that now; but of course it would make a difference at Mica if there is to be a diversion. By next year we shall know definitely about the kind of dam that can be built at Mica.

I do not want to enter into the work of another committee, Mr. Chairman, but this is linked up with what is going on in that committee. It is a sure thing that it will take some time before we can hope to have an understanding with the United States authorities on downstream benefits, and I believe that is the first thing we should do. We should ask the international joint commission, which is the body best prepared for that, to try to work out a formula of some kind for downstream benefits adaptable to all cases; or if such formula cannot be found the international joint commission could agree on a list of principles in order of priority from which a formula could be worked out in each case for downstream benefits.

But again, Mr. Chairman, I am myself out of order, and I shall ask the hon. member for Vancouver-Quadra to allow me next Wednesday, when I come before the committee as a witness, to explain the whole question as regards the implications of downstream benefits, and the full studies on the Columbia and the possibility of a diversion.

Mr. Green: Does this vote provide also for a study of the possibility of diverting the upper waters of the Kootenay river into the headquarters of the Columbia river?

Mr. Lesage: Yes, it deals with the Columbia reference as a whole, I am informed.

Mr. Green: Is that survey to be concluded during the present fiscal year?

Mr. Lesage: Yes.

Mr. Herridge: I listened to the hon. member for New Westminster who quoted Senator Reid. In the other place, and in other places, he has expressed the opinion that this proposed investigation of the Columbia is a most feasible and reasonable project. He is fully in favour of the investigation, and has expressed every confidence in General McNaughton as one who will consider all aspects of the situation.

Mr. Hahn: I am very pleased to get that information from the hon. member who has just taken his seat. But I wish to say this. As I said before, I do not think this expenditure is fully justified in view of what the senator had to say later. I quote from the same article, and these remarks are in quotation marks:

> "After 20 years of study, no one yet has found a way of getting the little fingerling salmon safely over a dam or through a turbine," Senator Reid said.
>
> The fingerling is the year to year and a half old salmon on its way from the spawning ground out to sea.

The last statement is not in quotation marks. I think we might save the expense of this examination. The senator seems to speak with authority. He says:

> "In three years of research, our commission has found that at a 250-foot dam, the mortality rate for fingerlings is 65 per cent," the senator said.

There have been three years of research already. I continue with the quotation:

> "Everyone has been talking about this mortality rate, but we were the first body in North America to find out the exact facts about it."

This gentleman has a very responsible position, and he certainly seems to be speaking with authority. I do not see the need for an expenditure of $641,360 if we already have the facts of the matter. If he is incapable of acting on the commission, I suggest he be asked to resign.

Mr. Barnett: Since this matter has come up, I should like to make one or two remarks. I should like to make it clear that I certainly do not agree with the hon. member for New Westminster in regard to the inadvisability of the amount included in this vote. I am much more inclined to agree with the point of view expressed by the hon. member for Vancouver-Quadra, that if by virtue of an increase in this grant the progress of this survey can be speeded up, I would be quite willing to support it.

Since the relationship between the possible development of the Fraser river system for power purposes and the sockeye salmon fishery has been mentioned, it would be useful to this committee and to those who are particularly concerned with the problem, if the minister could give us some indication of the form of liaison that has been set up or is contemplated between the work being done by the international joint commission, Canadian section, and the officers and personnel of his department who will be under their direction, and the Pacific salmon fisheries commission, the fisheries research board and the federal Department of Fisheries. There is no question but that this matter is vital to the people of British Columbia, and they will want to be satisfied about any developments that take place on the Fraser.

Mr. Lesage: There is the Fraser river board. A member of the Fraser river board is the chief officer of the federal Department of Fisheries in Vancouver. The Fraser river board is being reconstituted. I am not at liberty at this time to divulge the new terms of reference, nor the number or the identity of the members of the new board, because I have just reached an agreement with the government of British Columbia. It is a joint board. When I was in Victoria on Tuesday I talked to Mr. Sommers, and he asked me to wait until he wired me before making a press release about the new terms of reference and the names of the members of the board. But I can assure hon. members that the fisheries interests will be fully and entirely protected.

Mr. Hahn: In view of what the hon. member for Comox-Alberni said, I think I should let it be known now that last year I spoke on the need for adequate research in every industry. I am satisfied that there is need for research if—and I put a condition into this—the work has not been done before.

I shall just refer to what I quoted a short time ago. My understanding was that the senator was speaking with absolute authority; that they had carried on work for three years and were convinced in their own minds that salmon could not swim over these dams. For that reason I suggest we should be careful to get the facts with respect to this before we go ahead and discuss the economic feasibility of spending several million dollars on a project that possibly will never be built because we were told beforehand by someone in authority that we would be destroying another industry by doing just that thing.

Item agreed to.

309. Fraser river—federal expenditures in connection with investigations to be carried out by "dominion-provincial board Fraser river basin", $127,750.

Mr. Leboe: Is some of this money going to be spent on the north fork of the Fraser or the McGregor river?

Mr. Lesage: I am informed that this covers that part of the Fraser river basin.

Mr. Leboe: Is there a possibility of co-operative action between the provincial government, through the board which has been set up, and the federal government to have on-site power and flood control at the same point on the McGregor river?

Mr. Lesage: The Fraser river board is charged with the responsibility of making engineering studies and surveys; it is not charged with the responsibility of building dams or installing on-site power. I cannot say anything more about the new terms of reference because I have an undertaking with Mr. Sommers, the minister of lands and forests, not to make them public before he does the same in Victoria. I have not received, since I talked to him the other day, the telegram which I have been expecting and which would fix the date.

Mr. Leboe: I was not thinking about the actual construction; I was thinking about the engineering possibilities and investigations to determine whether or not a dam built at that particular place could be used for both flood control and on-site power.

Mr. Lesage: That is correct.

Mr. Leboe: I notice there is a decrease of $37,250 in this item. Because of the urgency in respect to flood control I would have thought that this item would be larger.

Mr. Lesage: This is a matching contribution on the part of the federal government. The British Columbia government really sets the level of expenditure.

Item agreed to.

Northern administration division—

314. Administration, $306,037.

Mr. Harkness: Is this the point where the minister was going to give me information as to the reduction in freight rates to certain points in the north?

Mr. Lesage: Is the hon. member interested in water transportation rates, and to what point?

Mr. Harkness: I was interested in water and air rates to the points I mentioned, which were Fort Norman, Norman Wells, Yellowknife, Hay River and Fort Smith.

Mr. Lesage: There has been no reduction in freight rates by air from Edmonton; the reductions have been in passenger rates.

Mr. Harkness: None at all?

Mr. Lesage: Not to my knowledge. The reduction in passenger fares has been quite substantial, ranging from 17 per cent to as high as 60 per cent in the fare from Edmonton to Aklavik. I have here a table which gives a comparison of air rates, rail rates, water rates and rail plus water rates from Edmonton to different points in the north. With the consent of the committee I would place this table on *Hansard*.

Some hon. Members: Agreed.

Mr. Lesage: The table is as follows:

Rates from Edmonton

	Air Freight	Cents per pound Rail to Waterways	Water	Rail plus Water
Fort Smith	11.00	.88	1.15	2.03
Hay River	14.97	.88	2.40	3.28
Yellowknife	14.97	.88	1.90	2.78
Fort Norman ..	39.86	.88	2.84	3.72
Aklavik	60.00	.88	3.84	4.72

Mr. Harkness: I must say I am disappointed to learn that there have been no reductions in freight rates, because I understood the minister to say there had.

Mr. Lesage: I am sorry; the hon. member must have misunderstood me.

Mr. Harkness: I understood the minister to say there had been a 20 per cent reduction in these rates to the north. I am sorry to learn there has been no reduction in air freight rates. I would express a personal opinion that the reason there has been no reduction is the difficulty of providing effective competition in the carrying of air freight into that country.

In the interests of opening up this north country and enabling freight to get there more readily than at present, the minister should exert some influence on the Minister of Transport and the government generally in an effort to remove some of the blocks which exist at the present time against the movement of freight. This may not be the place to discuss this, as it has more concern with the Department of Transport, but I think the minister might profitably exert influence in order to remove some of the blocks which prevent effective competition in the movement of freight by air into the north. This is most necessary if the extremely high rates which now prevail are to be brought down. In the case of air freight from Edmonton to Fort Smith, which is approximately 400 miles, the rate is $11 per hundredweight, which is very high.

I am glad to hear of the reductions that have taken place in the water rates. The whole system has now been modernized, the old wooden barges have been replaced with modern steel barges, and the old tugboats have also, I think, been replaced with new diesel-powered equipment. I should think it would be possible to reduce these rates further. If as a result of that reduction there were an increase in the amount of traffic—which would no doubt be the case—then once again the rates could be reduced. In other words this is the sort of thing that snowballs and mounts up. I would hope that when we discuss these estimates next year there will have been a reduction in air rates and a further reduction in these water rates.

Mr. Churchill: With regard to item 314, dealing with the Northwest Territories and Eskimo problems, I should like to say this. I do not want to go into the whole matter of the Eskimo population. We had a good discussion of that in the estimates committee. In the information that was brought out, which is scattered over about 30 pages of the reports of that committee, we discovered the total number of Eskimos in the country. Seven thousand are in the Northwest Territories, and 2,000 are under the administration of this department in northern Quebec. They are dependent for subsistence very largely on caribou.

One of the things that was left incomplete in the committee was this. I was asking questions concerning the 2,000 Eskimos in the northern part of Quebec who at one time, according to Mr. Cunningham, who gave us most of the information on this problem, were in a relatively happy state as a hunting population because caribou were extensive. In recent years, however, the caribou have entirely disappeared, and further evidence brought out the fact that these particular Eskimos are being trained to become water hunters, which they were not before, and to hunt the seal and walrus.

It was mentioned that they do not have immediate adaptability and it is not easy to retrain them. I asked if that area of northern Quebec could be restocked with caribou. It was pointed out that this had been considered, but it was thought an extraordinarily slow process and that therefore other methods of providing for the livelihood of these people were being considered.

That is the point which I think was left incomplete. I wonder if the minister would take into consideration again the restocking of that area with caribou, even if it does take a long time. There has been considerable experience in Canada in, for example, the preservation of buffalo and elk. They are living in restricted areas, and as they multiply they keep up their numbers. There has also been considerable experience in developing reindeer herds. We were informed that the 800,000-odd caribou to the west of Hudson bay are sufficient to support the Eskimo population in that area who are dependent as hunters on caribou.

For the northern Quebec area, using the estimate we have been given, it would take perhaps 200,000 caribou to support the Eskimo families there, who require, we are told,

between 70 and 100 caribou a year to give them sustenance. As I say, we have had experience in saving other types of wildlife, and in restocking. I read an article in a newspaper the other day, which may or may not be accurate, stating that moose had been non-existent in Newfoundland until they were taken there 55 years ago, but now, even with the hunting, the moose population has increased to 50,000.

Would it not be wise to reconsider introducing caribou into that particular area? The seal and walrus might fail; then we are left with the problem of simply providing subsistence for the native population. The reason the native population has been placed in these dire circumstances was brought out in the committee and I shall not go into it again now, but I simply ask the minister to reconsider this matter. Next year we shall put two or three questions to him and see what the answers are.

Mr. Lesage: I shall, with pleasure.

Item agreed to.

Forest conservation and wildlife management including Wood Buffalo park—
318. Construction or acquisition of buildings, works, land and new equipment, $134,639.

Mr. Herridge: I am acting as a sort of chore boy tonight. I have been asked to bring up a matter concerning the Yukon. I do not know whether this is the right item, but this concerns the Yukon so I suppose I can fire in all directions. I have been asked to bring to the minister's attention certain motor vehicle regulations—

The Deputy Chairman: Order. I wonder if the hon. member would permit us to pass item 318, which deals with wildlife, and go on to item 319.

Mr. Harkness: There is nothing wilder than a motorcycle.

Item agreed to.

Yukon Territory, including forest conservation—
319. Operation and maintenance, $624,629.

Mr. Herridge: Mr. Chairman, I am very pleased that you put me in order. I have been asked to bring to the minister's attention certain motor vehicle ordinances that have been given effect in the Yukon.

Mr. Lesage: On a point of order; I am sorry, but this involves a territorial ordinance and I have nothing to say about it. There is autonomy in the Yukon and Northwest Territories. There are local councils, and the motor vehicle ordinances come under the jurisdiction of the elected members of the Yukon council.

[Mr. Churchill.]

Mr. Green: But you always follow their recommendations.

Mr. Herridge: The point is that there are residents of northern British Columbia who think the tariffs for trucks entering the Yukon are excessive.

Mr. Lesage: I shall bring to the attention of the commissioner and through him the elected representatives of the Yukon council the representations of the hon. member, but I cannot force them to do anything. This is really a provincial matter.

An hon. Member: Carried.

Mr. Herridge: Mr. Chairman, someone over there is calling "carried". I have listened to him long enough—

Mr. Knowles: It is the specialist on inane remarks on the other side who is calling "carried".

Mr. Herridge: This concerns certain truckers in northern British Columbia. I am glad the minister explained that this matter comes under the jurisdiction of the territorial council, and I am glad he has said he will bring these complaints to its notice. I thank him for that.

Item agreed to.

Forestry branch—
Forest research division—
322. Operation and maintenance, $1,030,604.

Mr. Knowles: May I ask the minister whether the forest research division of his department has made any further headway in the matter of research into the extent of fire damage caused in this country by tailor-made cigarettes, and whether or not anything is going to be done about it?

Mr. Lesage: Mr. Chairman, the last news I had was that it had not been possible to find a kind of cigarette that would not light fires in forests if thrown around while still lighted.

Mr. Knowles: Mr. Chairman, quite seriously there are a number of people and organizations that are concerned about this matter.

Mr. Lesage: I know.

Mr. Knowles: Some of those most directly concerned with forestry operations have regulations prohibiting the use of tailor-made cigarettes in those areas. As a matter of fact, while it was not exactly in the minister's department, I was reading an item in the newspaper again this evening about a fire not very far from here believed to be caused by a cigarette. This is a matter that deserves intense research, in the hope that something

might be done to minimize the fires that take place and the loss of life which is the result of many of these fires.

Item agreed to.

Mr. Brooks: Mr. Chairman, you went over item 327 so fast that I did not notice it. I wonder whether the minister would tell me why the contribution to New Brunswick in connection with combating the budworm is being reduced.

Mr. Lesage: As the hon. member for Royal is aware, this is a contribution to a three-way operation. The amounts we vote each year are determined by the program, which is the responsibility of Forest Protection Limited, which is one of the three parties to the agreement.

Mr. Brooks: Is that an indication that the situation is fairly well under control?

Mr. Lesage: I might tell the hon. member that the government agreed this week to extend the program for a further three years, to continue on the same basis, because only $1,585,000 will have been spent on March 31, 1956. The program will therefore be extended to March 31, 1959, the ceiling remaining at the original $3 million as far as we are concerned.

331. Grant to pulp and paper research institute of Canada, $130,000.

Mr. Lesage: The increase in this vote was occasioned by a preliminary arrangement with the institute to provide additional assistance in order to permit that organization to build a new laboratory to take care of increased research accommodation.

Since the printing of the estimates an alternative to this preliminary arrangement has been tentatively agreed on, through which the laboratory will be built by the government and made available to the institute on the condition that the present annual grant of $100,000 will cease at the end of the present fiscal year, and that no further government financial assistance will be forthcoming.

Under those circumstances the amount of $130,000 should be reduced to the original grant of $100,000 as provided under the existing agreement. I shall ask my colleague the Minister of Finance—because I want to please him—if he will move that the item be reduced from $130,000 to $100,000.

Mr. Harris: With pleasure.

The Deputy Chairman: On item 331, it is moved by the Minister of Finance that the item of $130,000 be reduced to $100,000. Shall the amendment carry?

Amendment agreed to.

Mr. Cameron (Nanaimo): I may still discuss item 331, may I not?

The Deputy Chairman: Yes.

Mr. Cameron (Nanaimo): I was wondering what is the amount of the investment we are going to make in this laboratory.

Mr. Lesage: I cannot hear the hon. member.

Mr. Cameron (Nanaimo): How much are we going to spend on this new laboratory that we are building? Have you any figure on that?

Mr. Lesage: It is not certain yet, but I believe it is about $2 million. The annual contribution of $100,000 in these last years amounted to about one-tenth or a little less of the total expenditure. The research institute is spending about $1 million. This expenditure will increase with the increased facilities which will be provided by this new laboratory to be built with money provided in the estimates of the Department of Public Works.

Mr. Barnett: There is one point I should like to raise on this matter. Apparently we are spending public moneys in connection with research. I wonder whether the minister could give us a word or two as to the nature of the research work which is being conducted by this institute?

Mr. Lesage: It is research in the processing and manufacture of pulp and paper. As members of the committee are aware, this pulp and paper accounts for the highest figure of our exports. We are all the time trying to improve the processing and manufacture of this commodity which is vital to the economy of Canada.

Mr. Barnett: I have just one further question. The particular point of my question was this. I am glad to see that the Minister of Justice is sitting behind the Minister of Northern Affairs and National Resources. One of the problems which concern many people who have some close association with the pulp and paper industry—I refer to those who reside in areas near at hand—is the rather unpleasant odour that is produced. My particular point in raising this question is whether any portion of these funds which are being provided in this estimate are to be devoted to research looking to the elimination of what some of us consider to be quite a serious public nuisance; and whether or not, because of the fact that parliament is being asked to provide this vote, the government and the minister might have any authority to direct the investigations in that particular direction.

I might say that I know some research has been done into such matters, but there are many people in Canada—and some of them live in my own constituency—who would be quite interested in seeing an accelerated program of research into that particular aspect of the pulp and paper industry. Can the minister give us any indication as to how the situation stands in that connection?

Mr. Lesage: Oh, yes. I will certainly direct the attention of the pulp and paper research institute of Canada to the representations made by my hon. friend.

The Deputy Chairman: Shall the item as amended carry?

Item as amended agreed to.

Canadian government travel bureau—

333. To assist in promoting the tourist business in Canada, $1,561,367.

Mr. Herridge: Strangely enough, Mr. Chairman, this evening I was talking to an old-time resident of Kootenay West who was actually born in the district. We were discussing the function and purpose of the Canadian travel bureau. He thought it would be a good idea for me to bring to the attention of the committee the summer bonspiel that is conducted annually at Nelson. It is a most unusual event, which attracts people from all parts of Canada.

In discussing this matter, this gentleman said he thought in the past the Canadian travel bureau, in its publications, had not given sufficient notice to this event. He suggested that I should suggest to the minister that, in view of the almost nationally-known nature of this event and its importance to the Kootenays, he should bring to the attention of the Canadian travel bureau the advantage it would be to Canadians generally to advertise it in their publications.

Item agreed to.

The Deputy Chairman: Shall I report the resolutions and ask leave to sit again?

Resolutions adopted in committee of supply this day reported, read the second time and concurred in.

BUSINESS OF THE HOUSE

Mr. Harris: On Monday we shall move to go into supply and when the motion is carried will call four departments and have them stand. We shall then take Bill No. 259, to amend the Railway Act, the resolution with respect to the Yukon Quartz Mining Act, the resolution with respect to the Canada Elections Act, second reading of Bill No. 351, respecting Canadian National Railways, second reading of Bill No. 350, to amend the Blind Persons Act, second reading of Bill No. 352, respecting meat and meat products.

The above will be the order of business for Monday, Tuesday and Wednesday. Should the debate on the supply motion carry over into these days and these items be completed before Wednesday adjournment, we shall move to go into supply again on the understanding that if there is no debate we shall not call any additional departments but will proceed with the estimates of post office, labour, veterans affairs and agriculture, and continue throughout Thursday and Friday.

It being fourteen minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply]:

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

293. Departmental administration, $509,310.

294. Northern research co-ordination centre, including a grant of $5,000 to the Arctic Institute of North America; and an amount of $10,000 for grants in aid of northern research subject to allocation by the treasury board, $60,595.

National parks branch—

295. Branch administration, $86,425.

National parks and historic sites services—

296. Administration, operation and maintenance, $4,560,496.

297. Construction or acquisition of buildings, works, land and new equipment, $4,609,032.

298. Grant to Jack Miner migratory bird foundation, $5,000.

299. Special grant to the antiquarian and numismatic society to help defray costs of urgent work for the restoration and preservation of the Chateau de Ramezay, Montreal, $15,000.

300. Grant in aid of the development of the international peace garden in Manitoba, $10,000.

301. Contribution to the women's Wentworth historical society of Hamilton, Ontario, towards the costs of urgent work to combat erosion and flooding on the approach road to the battle of Stoney Creek national historic site, $1,000.

302. National battlefields commission—to provide for special works at national battlefields park, Quebec, $8,000.

303. Canadian wildlife service—wildlife resources conservation and development, including administration of the Migratory Birds Convention Act, $455,703.

304. National museum of Canada, $330,840.

Engineering and water resources branch—

305. Branch administration, $54,283.

Water resources division—

Water resources division, including federal share of expenses of the Lake of the Woods control board—

306. Administration, operation and maintenance, including grant of $350 to the international council, world power conference, $725,819.

307. Construction or acquisition of buildings, works, land and new equipment, $91,500.

308. To provide for studies and surveys of the Columbia river watershed in Canada, $641,360.

309. Fraser river—federal expenditures in connection with investigations to be carried out by "dominion-provincial board Fraser river basin", $127,750.

310. To provide for a contribution to the cost of constructing a dam on the Conestogo river near Glen Allan, Ontario, for the purposes of flood control and water conservation, in accordance with the terms of an agreement entered into between Canada and the province of Ontario, $1,000,000.

311. Engineering and architectural division—administration, operation and maintenance, $336,487.

Northern administration and lands branch—

312. Branch administration, $157,214.

313. Lands division—administration of territorial and public lands; seed grain collections, $405,837.

Northern administration division—

314. Administration, $306,037.

Northwest Territories, including Wood Buffalo park and Eskimo affairs—

315. Operation and maintenance, $1,717,263.

316. Construction or acquisition of buildings, works, land and new equipment, $1,567,131.

Forest conservation and wildlife management including Wood Buffalo park—

317. Operation and maintenance, $433,970.

318. Construction or acquisition of buildings, works, land and new equipment, $134,639.

Yukon Territory, including forest conservation—

319. Operation and maintenance, $624,629.

320. Construction or acquisition of buildings, works, land and new equipment, $1,101,930.

Forestry branch—

321. Branch administration, $114,636.

Forest research division—

322. Operation and maintenance, $1,030,604.

323. Construction or acquisition of buildings, works, land and new equipment, $78,743.

Forestry operations division—

324. Administration, operation and maintenance, $184,760.

325. Construction or acquisition of buildings, works, land and new equipment, $154,265.

326. To provide for contributions to the provinces for assistance in forest inventory and reforestation in accordance with agreements that have been or may be entered into by Canada and the provinces, $1,225,000.

327. To provide for a contribution to the province of New Brunswick for assistance in a program designed to combat the spruce budworm infestation, in accordance with an agreement entered into by Canada and the province, $300,000.

Forest products laboratories division—

328. Operation and maintenance, $581,030.

329. Construction or acquisition of buildings, works, land and new equipment, $21,770.

330. Grant to Canadian Forestry Association, $10,000.

331. Grant to pulp and paper research institute of Canada, $130,000.

Reduced by $30,000 to $100,000.

Eastern Rockies forest conservation board—

332. Remuneration and expenses of the federal member of the board, $5,575.

Canadian government travel bureau—

333. To assist in promoting the tourist business in Canada, $1,561,367.

Loans, investments and advances—

541. To authorize the making of loans in the present and ensuing fiscal years in accordance with such terms and conditions as the governor in council prescribes not exceeding in the aggregate $1,150,000 to the government of the Yukon Territory—

(a) for the purpose of constructing a hospital at Mayo Landing at an estimated cost of $400,000, and

(b) to enable the government of the Yukon Territory to contribute approximately $750,000 towards the cost of constructing a hospital at Whitehorse; and to authorize the commissioner in council to make ordinances for the borrowing of such money by the commissioner of the Yukon Territory and for the repayment thereof out of the Yukon consolidated revenue fund, $1,150,000.

542. To authorize the making of loans in the present and ensuing fiscal years in accordance with such terms and conditions as the governor in council prescribes not exceeding in the aggregate $780,000 to the government of the Yukon Territory for the development of a new subdivision adjoining the present city of Whitehorse; and to authorize the commissioner in council to make ordinances for the borrowing of such money by the commissioner of the Yukon Territory and for the repayment thereof out of the Yukon consolidated revenue fund, $780,000.

HOUSE OF COMMONS

Monday, May 16, 1955

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

RAILWAYS, CANALS AND TELEGRAPH LINES—CONCURRENCE IN NINTH REPORT

Mr. H. B. McCulloch (Pictou) presented the ninth report of the standing committee on railways, canals and telegraph lines and moved that the report be concurred in.

Motion agreed to.

Second report of standing committee on marine and fisheries.—Mr. Ashbourne.

GRAIN

WHEAT—REPORT ON 1953-54 POOL OPERATIONS

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am now in a position to make a statement about the results of the 1953-54 wheat pool. This pool was closed as at April 29. I had suggested an earlier date but in the opinion of the Canadian wheat board a more satisfactory accounting could be made if the closing of the pool were delayed until after the opening of navigation on the great lakes and on the St. Lawrence. Therefore, the government agreed to the closing date recommended by the wheat board, namely, April 29, 1955.

From the standpoint of a marketing operation, the 1953-54 pool was the most difficult in the post-war history of the wheat board.

In the first place, as hon. members will recall, the 1953 wheat crop was the third in a succession of three bumper crops produced in the prairie provinces. In spite of a very high level of exports and domestic demand in 1951-52 and 1952-53, substantial stocks of wheat remained in elevators on July 31, 1953. Sales from the 1953-54 pool could not begin until these carryover stocks from the previous pool had been reduced to reasonable proportions. Actually, sales from the 1953-54 pool did not begin until February 1, 1954. To put the matter briefly, stocks of wheat were carried in the 1953-54 pool from August 1, 1953 to April 29, 1955—a period of 21 months. Sales operations were carried on over a period of 15 months. It is not surprising, therefore, that carrying charges applicable to the 1953-54 pool were substantially higher than in any previous pooling period administered by the wheat board.

Now, let me describe briefly the marketing situation faced by the wheat board during the life of the pool. Following the unprecedented export demand for cereals in 1952-53, world demand for wheat fell away sharply in the crop year 1953-54. As the house knows, our exports of wheat and flour in that crop year were 255 million bushels as compared with 385 million bushels in the preceding crop year. This decline in world demand affected particularly Canada, the United States and Australia.

While world demand improved during the first nine months of the present crop year, competition has been extremely keen and during this period the United States surplus disposal program has emerged as one of the chief factors in the international wheat position. Canadian export sales have improved, but not to the extent that would achieve the rapid movement of wheat hoped for earlier in the crop year.

The United States has a triple-barrelled surplus disposal program in effect. Wheat may be bartered for strategic materials, may be distributed to importing countries for local currencies which are usually left in the recipient country for development or other purposes, or may be given away as a relief measure. So far the cost of procurement of wheat in the United States for surplus disposal abroad has amounted to over $200 million. In addition to this surplus disposal program, which cannot be regarded in any way as ordinary commercial transactions, the United States have during the present crop year increased their export subsidies in order to effect sales. As at the end of March, the United States had increased their exports of wheat and flour by over 60 million bushels as compared with the previous crop year, and the increase will undoubtedly be larger by the end of the crop year.

The wheat board and the government expect, and are fully prepared, to deal with competition in world wheat markets. The record shows that we have met this competition most effectively. Canada has retained a high proportion of commercial markets throughout the world. In recent months, however, the surplus disposal programs of the United States are being pressed to the point where, in our opinion, they are having a disturbing effect upon commercial markets.

1953-54 Wheat Pool Operations

The purpose behind the surplus disposal efforts of the United States is to increase consumption in areas that cannot afford to buy wheat. Canada has no quarrel with that principle. It is doubtful, however, whether anything is gained, and certainly much is lost, if surplus disposal programs are pushed to the point where they disturb normal trading relationships.

I should add that during the period of the 1953-54 pool, wheat prices declined substantially and this, of course, has lowered the return which the wheat board have been able to secure from their sales. With these general observations in mind, let me deal now with the financial results of the 1953-54 wheat pool.

Producers' deliveries of wheat to the pool were 398 million bushels. A total of 148·7 million bushels, including 21·4 million bushels of priced open sales contracts, were transferred to the 1953-54 pool from the 1952-53 pool as at January 30, 1954. Deliveries from others than producers were 1·4 million bushels, bringing the total volume of wheat in the pool to 548·1 million bushels. Completed sales to the close of business on April 29 amounted to 384 million bushels. Therefore there remained as at April 29 a balance of 164·1 million bushels. These stocks included 42·9 million bushels covered by priced open sales contracts and unsold stocks of 121·2 million bushels.

In closing out the 1953-54 pool the open sales contracts were transferred to the 1954-55 pool at contract prices and unsold stocks were transferred on the basis of board selling prices for April 29 less an allowance for carrying charges subsequent to the date of transfer and an allowance for market risk in the case of certain slow-moving grades.

The final operating surplus in the pool is $64,725,147.55 from which must be deducted the 10 cents per bushel interim payment made last fall. This payment amounted to $38,638,704.15. After providing for P.F.A.A. levy on the interim and final payments and after allowing for final payment expenses, the surplus for distribution to producers as a final payment is $25,411,407.89.

On producers' deliveries of 398 million bushels the average final payment is 6·384 cents per bushel.

The final net payments to producers on the principal grades of wheat are as follows:

No. 1 northern	6·262¢	per bushel
No. 2 northern	4·771	"
No. 3 northern	5·333	"
No. 4 northern	8·382	"
No. 5 wheat	10·715	"
No. 6 wheat	13·303	"
Feed wheat	16·459	"

[Mr. Howe (Port Arthur).]

Prior to the deduction of the P.F.A.A. levy, the net price realized by producers for No. 1 northern wheat basis in store Fort William/Port Arthur or Vancouver will be $1·56426 per bushel.

The Durum wheat position continued very strong in 1953-54 and again in the present crop year. The final payments on Durum grades are as follows:

No. 1 Amber Durum	51·987 cents per bushel
No. 2 Amber Durum	52·307 cents per bushel
No. 3 Amber Durum	56·427 cents per bushel
No. 4 Amber Durum	55·063 cents per bushel
No. 5 Amber Durum	19·159 cents per bushel
No. 6 Amber Durum	21·139 cents per bushel

Prior to the deduction of the P.F.A.A. levy, the net price realized by producers for No. 1 Amber Durum will be $2·12613 per bushel.

There will be final payments on grades of wheat which did not participate in the interim payment last fall. For example, the final net payment on No. 2 Garnet is 5·105 cents per bushel; on No. 2 Alberta Winters, 3·002 cents per bushel; and on No. 2 C.W. Soft White Springs, 13·798 cents per bushel.

To complete the story, here are representative board selling prices applicable to the 1953-54 pool. The average selling price for No. 1 northern wheat basis in store Fort William/Port Arthur or Vancouver was in round figures $1·73 per bushel. The corresponding result in the case of the 1952-53 pool was $1·90 per bushel. Therefore, by reason of the decline in wheat prices the board in 1953-54 received 17 cents per bushel less than in the preceding pool, measured, of course, by the return for No. 1 northern wheat. The lower level of board selling prices is reflected in the prices which producers realized on their deliveries to the 1953-54 pool. I have already referred to the relatively high carrying charges in this pool; the actual increase as compared with the 1952-53 pool was approximately 8½ cents per bushel. In these two factors, lower selling prices and increased carrying charges, we have the difference between prices realized by producers. The distribution of final payment cheques will commence before the end of this month.

Mr. J. G. Diefenbaker (Prince Albert): Would the minister allow an observation on the statement he has made and a couple of questions?

Mr. Howe (Port Arthur): I will allow questions but no observations.

Mr. Macdonnell: That is for the Speaker to say.

Mr. Diefenbaker: The farmers will be disappointed as a result of what has happened.

Is it a fact that the United States is engaged in a policy of disposal of surplus wheat by way of relief and also through currency deals to a degree that has interfered with the world market for wheat? Will the minister give figures as to the total amount paid during the pool year for storage, and will he also give some indication why it is that Canada's share of an expanding world wheat market declined so substantially during the first eight months of this year?

Mr. Howe (Port Arthur): Well, the disposal program of the United States has affected us seriously in our minor markets such as Israel and Norway, smaller countries that usually buy substantially from Canada. This year they are taking wheat from the United States either as relief or on currency deals. I do not think the world price of wheat is affected particularly except as we find it necessary to lower our price to meet the premiums paid on United States wheat. Our price has remained stable now for several months. I think that answers the first question. As to the second question—

Mr. Diefenbaker: The total amount of storage charges.

Mr. Howe (Port Arthur): —I cannot of course give the figures offhand. I think my hon. friend might put that question on the order paper.

Mr. Diefenbaker: The minister mentioned that it was very high this year, 8½ cents a bushel higher than the year before. How much was the total?

Mr. Howe (Port Arthur): I do not carry the total figure in my mind. That is a matter that will have to be referred to the wheat board and the easiest way for my hon. friend and for me is for him to put it on the order paper. Then it will go to the wheat board automatically.

The third question was what?

Mr. Diefenbaker: Why was it that Canada's share of the world market fell away in the first eight months of this year?

Mr. Howe (Port Arthur): It is difficult to assess Canada's share of the world wheat market at this time. Various wheat comes on the market at various periods. As my hon. friend knows, for the first four months of the eight months' period we can only ship out of Atlantic or Pacific ports. I do not believe you can assess Canada's share of the world market until the end of the crop year. We are more than holding our own in our principal markets. Our over-all share may be down due to the fact we are being hurt in the smaller markets. I doubt if any great light can be shed on our share of world markets at this particular time.

Mr. H. R. Argue (Assiniboia): I wonder if I might ask a question of the minister. Is the government of Canada considering adopting any policy in order to increase our share of the world wheat market or to recover our share of the world wheat market, such as accepting local currencies or following a policy of making wheat available whenever there is a famine?

There is another question I should like to ask arising out of the statement the minister has made. It concerns the very low and disappointing final payment. I am wondering if the government and the minister would consider making available immediately an interim payment on the 1954 crop in order to at least alleviate the very serious financial catastrophe in western Canada?

Mr. Howe (Port Arthur): The government is always considering every means of increasing Canada's share of the world markets. If we decide on any different procedure than that being followed at the moment, I shall announce it immediately in the house.

So far as the second question is concerned, I think the producers in western Canada believe that, in a period of congestion, the present price of wheat has been holding up very well. I might say that Canada is largely responsible for the fact that the price of wheat has not collapsed. We have refused to be panicked. I believe that, considering the situation of world supplies which are dropping, it would be very unwise for Canada to enter into a give-away program simply for the purpose of reducing our wheat surplus.

Mr. Argue: Would the minister say whether an interim payment is being considered, because the payment he has announced today amounts to only about $150 per western farmer, and that will not go very far.

Mr. Howe (Port Arthur): May I point out that this follows a prairie farm assistance payment of about $28 million. It is, of course, quite impossible to consider an interim payment on the wheat of the last crop year, since very little of that wheat has been sold.

Mr. D. S. Harkness (Calgary North): May I direct a question to the minister consequent upon his statement? The minister said that the wheat board and the government expect and are fully prepared to deal with competition in the world wheat markets. What steps has the government or the wheat board taken to meet this competition in world wheat markets of which he speaks?

Mr. Howe (Port Arthur): Very aggressive selling in every world market; we have agents in every world market. I believe that considering the fact we are selling our wheat for

cash and others are giving it away, our position has been very well maintained.

Mr. J. M. Macdonnell (Greenwood): Would the minister say a word in explanation of the statement which I understood him to make that the surplus disposal plans of the United States, which he outlined in considerable detail, have not affected the price? Would he explain that a little further?

Mr. Howe (Port Arthur): The price is established by the principal exporters and by the principal importers.

Mr. Macdonnell: Including the United States.

Mr. Howe (Port Arthur): The United States program has not affected, for instance, the market in the United Kingdom or the market in certain other principal countries. Such markets establish the world price. Nevertheless, as part of their program, the United States has disposed of $200 million worth of wheat in smaller markets under the three programs I mentioned, and have by so doing curtailed the government's ability to sell wheat in those markets.

SENATE AND HOUSE OF COMMONS ACT

AMENDMENT RESPECTING ELIGIBILITY OF CABINET MINISTERS

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 379, to amend the Senate and House of Commons Act.

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, the purpose of this bill is to amend the independence of parliament provisions of the Senate and House of Commons Act so as to make it uniform that no person shall be at one and the same time a federal cabinet minister and a director of a company incorporated under any act of parliament.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

AUSTRIAN PEACE TREATY—EFFECT ON STATUS OF DISPLACED PERSONS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, on the occasion of the signature of the Austrian state treaty, I requested our minister in Vienna to transmit to Chancellor Raab a message of congratulations on behalf of the Canadian government. The message was delivered to the Austrian chancellor yesterday, Sunday, May 15.

You will remember, Mr. Speaker, that on Monday, May 9, the hon. member for Dauphin (Mr. Zaplitny) made a reference to article 16 of the draft Austrian treaty which was then being reviewed in Vienna by the ambassadors of the four powers in collaboration with the Austrian government. As members of the house are aware, article 16 of the draft treaty dealt with displaced persons and refugees in terms which might have meant requiring Austria to facilitate the return of refugees to their countries of origin against their will. The house will be glad to learn that the four powers and Austria agreed to delete this article from the draft treaty and that the text of the treaty signed in Vienna yesterday does not contain any provision under which displaced persons and refugees now residing in Austria could be forced to return to their country of origin.

[*Later:*]

BIG FOUR MEETING—EXCHANGE OF PARLIAMENTARIANS WITH RUSSIA

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Acting Secretary of State for External Affairs. Is he in a position to say anything regarding the "summit" meeting which has been arranged for among the big four powers, and what stand Canada has taken with reference to that matter? Second, has he anything further to report respecting the tentative invitation by the U.S.S.R. to parliamentarians of various countries outside the iron curtain to visit that country?

Hon. Paul Martin (Acting Secretary of State for External Affairs): Mr. Speaker, since my hon. friend spoke to me about the last part of his question this morning I have had an opportunity of seeing what the Prime Minister (Mr. St. Laurent) said about this aspect of the question and what the Secretary of State for External Affairs (Mr. Pearson) said in this house on April 1. I am afraid that at the present time there is nothing useful that can be added to what has been said already, both by the Secretary of State for External Affairs and by the Prime Minister. The matter which my hon. friend raises is now being noted and will be followed through by the officials of the department and brought to the attention of the Secretary of State for External Affairs when he returns from Europe some time this week.

With regard to the first part of the question, as my hon. friend and other members know, there have been important developments during the past week. The German federal republic has entered NATO and into the full political and defence association with the western nations which we have hoped to

achieve for so long. A state treaty for Austria has been signed and 10 years of occupation ended. The leading western powers have invited the Soviet union to a meeting, both of heads of governments and of foreign ministers, and the Soviet union has accepted the invitation.

The Soviet union has tabled a series of proposals at the disarmament talks in London which contain significant changes of policy on some points relating to disarmament and which may point to some of the subjects to be discussed at a four power meeting. At a conference in Warsaw, the Soviet union has set up a unified command for its forces and the forces of its satellites in eastern Europe. We learn that Marshal Bulganin and Mr. Khrushchev will visit Yugoslavia.

So we may ask, what do all these rapid developments imply so far as relaxation of tension and a European and even world settlement are concerned? So far as the western nations are concerned, the various steps in their policies have been intended to lead eventually to peaceful negotiation of outstanding differences between east and west to remove the risk of world war. The invitation extended to the Soviet union to participate in discussions both between heads of governments and foreign ministers establishes this intention on the part of the western powers. It underlines the fervent desire of western nations to find any possible way of arriving at a peaceful settlement of outstanding issues based on recognition of the legitimate security interests and national freedom of the nations most directly concerned.

We may well ask, what are the Soviet intentions? The final signing of the Austrian state treaty and the apparent concessions on disarmament do lead one to hope for a greater willingness to discuss other problems. The extent of Soviet diplomatic activity does suggest that various far-reaching changes may be planned.

The Canadian government naturally welcomes the fact that high level talks between the leading western powers and the Soviet union will take place. We think that considerable progress can be made at these talks and that there are compelling reasons of national interest on both sides for representatives of these nations to examine the fundamental differences between them in the immediate future. We have noted the expressed desires of some Soviet leaders to negotiate with the west in spite of the basic ideological differences. We have noted the concessions made on specific points. We hope that the Soviet government will continue to respond to the deep desire of people in all countries for peaceful solutions of international problems.

QUESTIONS

"WILLIAM CARSON"

Mr. Buchanan:

When will the *William Carson* start regular runs between North Sydney, Nova Scotia and Port aux Basques, Newfoundland?

Mr. Langlois (Gaspe): It has not yet been found possible to fix a date for the commencement of regular service by the *William Carson.*

CHILD GUIDANCE CENTRE, BURNABY, B.C.—GRANTS

Mr. Goode:

1. What is the amount of grants already offered to the government of British Columbia for the child guidance centre and day hospital, Burnaby, British Columbia?
2. What further grants are contemplated?

Mr. Martin:

1. $15,000.

2. If requests for further assistance are received from the province on behalf of this centre, they will be considered within the terms of the national health program.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FAMILY ALLOWANCES

Mr. Argue:

1. Have any organizations asked, since July 1, 1954, that family allowances be (a) increased; (b) decreased?
2. If so, how many in each category, and what are their names?
3. How many persons, if any, by letter or by signing a petition have asked, since July 1, 1954, that family allowances be (a) increased; (b) decreased?

WHEAT STORAGE

Mr. Diefenbaker:

1. How many bushels of wheat were in elevator and terminal storage in Canada as of the 30th July, 1954?
2. What was the total amount paid for elevator and terminal storage for all wheat in storage between the 1st July, 1953 and the 30th July, 1954?
3. Were any terminal elevators or other crop storage facilities owned by the government leased to private companies or agencies during each of the crop years of 1952, 1953 and 1954?
4. If so, where were each of them located and what companies were the lessees?

GRAIN IN STORAGE

Mr. Argue:

1. Does the Department of Trade and Commerce issue statistics showing quantities of grain on hand in Canada?
2. If so, what is the date of the most recent issue of such statistics?
3. What was the quantity of each type of grain on hand?
4. How much in each case was held (a) on farms in each province; (b) in country elevators in each province; (c) in terminals; (d) any other position?
5. How are such statistics obtained?

6. How many persons make such reports and what is the occupation of the majority?
7. Has the department been informed by any farm organization that such reports are not accurate?
8. If so, what are the names of such farm organizations and in what way is it alleged that such reports are inaccurate?
9. On what type of grain was this difference claimed, and to what extent?
10. What is the difference, if any, between the quantity estimated by the department and that estimated by any farm organization?

Mr. Dickey: Return tabled.

PAYMENTS TO DOCTORS AND DENTISTS, SASKATCHEWAN

Mr. Diefenbaker:

1. How much has been paid to medical doctors and dental surgeons in Saskatchewan by all departments of government in each of the years, 1953, 1954 and 1955?
2. What are the names of each and every one of said medical doctors and dental surgeons, their respective addresses and the total amounts paid to each of them during the said periods?

COMPANY DIRECTORS—CABINET MINISTERS

Mr. Stewart (Winnipeg North):

1. Are any cabinet ministers directors of corporations?
2. If so, what cabinet ministers hold directorships?
3. In what companies are these directorships held?

FEDERAL BRIDGES

Mr. Johnston (Bow River):

1. What bridges used by motor vehicles are owned by the federal government, federal corporations or commissions, or federally-owned transportation systems?
2. Which of the bridges are free of tolls for motor vehicle use?
3. What are the gross revenues, operating expenses and net operating income of Jacques Cartier and Victoria bridges from the year in which collection of tolls was begun for motor vehicles on each of these bridges?

MOTIONS FOR PAPERS

CANADIAN BROADCASTING CORPORATION ACCOUNTS

Mr. Fulton:

For a copy of all correspondence, memoranda, etc., exchanged between the office of the Auditor General and the Canadian Broadcasting Corporation and/or the Minister of National Revenue, since January 1, 1950, relating to the accounts of the said corporation.

Mr. McCann: Mr. Speaker, in connection with this motion may I say that I have been trying to get in touch with the Auditor General who returned to town over the week end. I shall not raise further objection at this time than I did on a previous occasion, and the motion will be proceeded with as soon as possible.

Mr. Speaker: Motion stands.

[Mr. Argue.]

DAUPHIN, MAN., INDIAN SCHOOL

Mr. Zaplitny:

For a copy of all correspondence, telegrams, memoranda and other documents, exchanged between the Minister of Citizenship and Immigration or his department and any person or organization, relating to the construction of an Indian residential school at Dauphin, Manitoba, from January 1, 1954 to date.

Mr. Pickersgill: Now tabled.

SUCCESSION DUTY ACT—INFORMATION

Mr. Fulton:

For a copy of any order in council, agreement, or other document authorizing the communication, to a person or persons not in the service of the government of Canada, of any information obtained under the provisions of the Dominion Succession Duty Act, or establishing the legal entitlement of such person or persons to receive such information or to inspect or have access to any written statement furnished under the provisions of that act.

Mr. McCann: In connection with this motion may I say that the officials of the department were to get in touch with the mover to see whether or not he would be satisfied with the documents that have to do with the province of Ontario, which I think are the ones he is most interested in.

Mr. Fulton: I do not think it is quite that way. One of the deputy ministers telephoned me this morning and asked whether I would be satisfied to have produced a sample copy. That would be quite satisfactory.

Mr. Speaker: Is the motion to be dropped?

Mr. McCann: Stands.

Mr. Fulton: The motion calls for documents having a bearing on this matter and my understanding is that the department is suggesting that they produce only a sample document rather than the whole series which might be available, on the understanding that if we felt that the inquiry which we have in mind was not satisfied by the production of the sample document I might ask for others. For the purposes of the present motion I would be quite content to have produced a sample of the agreement. Perhaps the motion should be adopted and satisfied by the production of only one sample copy.

Mr. McCann: That is quite agreeable, subject to the reservations which the mover has made.

Motion agreed to.

GUARANTY TRUST CO.—CAPITAL TRUST CO.—CORRESPONDENCE

Mr. Stewart (Winnipeg North):

For a copy of all correspondence, telegrams, memoranda and other documents exchanged

between any department of government and (a) Guaranty Trust Company of Canada; (b) Capital Trust Company, since January 1, 1945.

Mr. St. Laurent: There is no objection to this motion but of course it would not apply to anything that by statute is made privileged.

Mr. Speaker: Motion agreed to with the reservation indicated by the right hon. Prime Minister.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO SUPER CONTINENTAL SERVICE STOPPING AT BRANDON NORTH

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Mr. Speaker, in answer to a question some time ago by the hon. member for Brandon-Souris (Mr. Dinsdale) and in response to personal inquiries by the hon. member for Portage-Neepawa (Mr. Weir), I informed the house that it was not the intention to make Brandon North a stop for the Super Continental.

The Canadian National Railways now advise that in the light of actual experience of two weeks' operation of the new train the management are satisfied that the Super Continental can make a conditional stop at Brandon North without interfering with schedules. Accordingly, it has been decided that a conditional stop will be made at Brandon North for passengers to or from Nakina and east, or to or from Edmonton and west.

CANADA ELECTIONS ACT

INQUIRY RESPECTING REINTRODUCTION OF AMENDING BILL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of citation 348 in Beauchesne, second edition, may I ask the hon. member for Quebec South (Mr. Power) if he intends to reintroduce at this session of parliament his bill to amend the Canada Elections Act with respect to election expenses?

Mr. Speaker: Before the hon. member answers the question, I believe the hon. member for Winnipeg North Centre has referred the Chair to citation 348.

Mr. Knowles: Citation 348 in the second edition, sir.

Mr. Speaker: I have always understood that a question to be asked of a member had to do with affairs of the house with which he was connected, and was not asking him if he was about to introduce a bill in the future.

I think the hon. member under the circumstances should not ask the question of the hon. member for Quebec South. He can telephone him tomorrow.

Hon. C. G. Power (Quebec South): Mr. Speaker, I am quite willing to answer the question.

Mr. Speaker: I am sorry. I know the hon. member is always willing to answer, but if we were to follow this course I am afraid it would lead to breaking the rules, and I do not think we should allow that.

Mr. Knowles: Then maybe the hon. member will introduce his bill at the earliest opportunity.

SUPPLY

Hon. Hugues Lapointe (Minister of Veterans Affairs) moved that the house go into committee of supply.

IRRIGATION—SOUTH SASKATCHEWAN RIVER PROJECT

Mr. J. G. Diefenbaker (Prince Albert): In rising to take advantage of the opportunity that the making of this motion permits, I wish to refer to the statement that has been made by the right hon. Minister of Agriculture, or rather the right hon. Minister of Trade and Commerce. It is sometimes difficult to know which department looks after which, with the distribution of marketing as between these two departments.

Mr. Gardiner: It has never been anywhere else but there.

Mr. Diefenbaker: It is a statement that will be received with deep regret on the part of the farming population generally that depends for its livelihood upon the marketing of wheat. Indeed, by the action of this government, on the basis of purchasing power during the period 1935 to 1939, farmers will be receiving on the farm a price of about 58 cents a bushel. When agriculture is not prosperous the Canadian people cannot be prosperous, for one-seventh of the population is directly dependent on agriculture and a further large segment of our population engaged in industry, transportation, etc., is directly affected. It has been estimated that farmers purchase for the average family four times more than does the urban family. I know that there will be a profound sense of disappointment on the part of western farmers when they are advised that the amount that they are to receive in the cut-off of the pool will be slightly over 6 cents a bushel. What is happening follows in consequence of what we of the opposition had

warned against for several years—loss of markets arising through the failure of this government to act, when the portents and indications demanded effective action.

The wheat producer is receiving a disappointing final payment, one of the reasons being that failure to act. Since 1950 we of the opposition have been endeavouring to interest the government in the convening of a British commonwealth trade conference. The answer on every occasion has been that such a course was unnecessary. In the 1953 election the optimistic ministers of the government contended that there was nothing to be concerned about regarding the loss of markets and that Canada had so many markets she could scarcely produce enough to meet their demands.

We find ourselves now in a position dangerous to the economy of this country. The minister's attitude today was far removed from that ultra-optimism he exuded in the past. Today his attitude was one of realism based on experience. The failure to take the initiative during the last several years, based upon danger signals which indicated the threat and the peril to the Canadian wheat farmer directly and indirectly to the people of Canada, is now bringing its reward. I asked the minister how much were the carrying charges on the wheat in storage last year, and he said that was a question for the order paper. It is extremely hard to get answers to that question, Mr. Speaker. For a considerable length of time we have tried to ascertain what those carrying charges are. If I took him down correctly, the minister said that the increase in the carrying charges in the last year now being wound up was 8½ cents per bushel. What those carrying charges are, we do not know. Three or four years ago they amounted to $17 million a year.

Two years or two and one-half years ago my recollection is that, on the basis of computation although not on information received from the responsible minister or the department, they amounted to some $25 million. That is a tremendous amount. On the basis of information that one is able to secure, I believe it is safe to say that the Canadian farmer in the last year has had taken from him in storage charges the amount of at least $65,000 a day. Whether or not those figures be correct, I do not know; but the amount has been tremendous and there are still in the elevators of this country large quantities of wheat which, to all intents and purposes, may be unmarketable. For the last year or so members on this side of the house have been endeavouring to get the minister to place before the house and the country a picture of the so-called aggressive policy for the marketing of the farmers' wheat, but we have not been able to secure any information.

On May 12 the Canadian Press reported the situation. It is one dangerous in its import, one that challenges the Canadian economy. The report reads:

> Canada's share of an expanding world wheat market has declined while that of the United States has increased. Thus the United States has recaptured the lead from Canada as the world's top exporter.

That is all within the last few years. What is this government's policy? You cannot blame the wheat board because the wheat board acts under the express direction of the Minister of Trade and Commerce (Mr. Howe) and the ministers of this government. What is that policy? What has been done? What active measures are being taken? My friend the hon. member for Assiniboia asked this afternoon and he received the usual illusory, uncertain, indefinite answer which indicated that the question might be answered in a general way by saying that no one need concern himself; for after all, this government knows best and things will turn out all right in the end. The Canadian Press report continues:

> In the first eight months of the current crop year which began last August, total exports from the four major shippers—Canada, the U.S., Australia and Argentina—increased by 102,700,000 bushels to 517,500,000 from 414,800,000 a year ago, the bureau of statistics reported today.

Canada's shipments increased by 1,800,000 bushels out of an increase of 102,700,000 bushels during the course of the year. What of this government, that should have acted to provide markets for Canadian wheat, particularly when it enjoys a reputation for being the best wheat in the world? The report goes on to say this:

> However, Canada's shipments increased only by 1,800,000 bushels to 172,700,000—
> —while those of the U.S. jumped by 64,200,000 to 189,900,000. The U.S. has led the world in wheat exports in most post-war years but in the first eight months of last year was far behind Canada—

The United States is trying to find markets. The Canadian government is hoping to find markets.

Mr. Howe (Port Arthur): We are looking for cash markets.

Mr. Diefenbaker: My right hon. friend makes an interruption but he did not answer the question today as to what the government is doing. The farmers of Canada want to know that.

> This year the United States has been putting on a big export drive . . .

I ask the minister to tell the people of this country what kind of drive the wheat board and this government have been putting on.

Mr. Fraser (Peterborough): None.

Mr. Diefenbaker: If it has been a drive, it has been a pedestrian one. Then the report goes on to mention that the United States has been giving some wheat away. I have asked the minister several times during the last year the question whether the United States was undermining the wheat market of the world by such action. I think in every case—and I have the quotations available—the minister's attitude was that there was nothing to worry about with regard to United States give-away policy, that it was of no serious importance. The United States has been selling some of its wheat under defence and local currency deals. As far as defence deals are concerned, I realize that Canada cannot participate. But I ask the minister to tell the people of Canada why something cannot be done to provide for the exchange of our wheat by local currency deals such as those that are being made by the United States. What is the reason? Certainly the results revealed today indicate a lamentable failure on the part of this government to preserve our markets and to assure to Canadian farmers engaged in the production of wheat their fair and proper share of the world market.

More than that I will not say at this time for there is not available to members of this house information which permits of an extended analysis of the course being followed. On May 5 I asked this question:

> How many bushels of wheat were in elevator and terminal storage in Canada as of the 30th July, 1954?

That was not a difficult question to answer. That information is available. But parliament waits at the convenience of the department. The next question was:

> What was the total amount paid for elevator and terminal storage for all wheat in storage between the 1st July, 1953 and the 30th July, 1954?

We wait for that information now embalmed in the form of an order for return passed today.

The next question had to do with terminal elevators being rented to private companies. I have no objection to some delay in that connection. But as far as the others are concerned the minister has the answers, or he would not have been able to report that carrying charges increased last year by 8½ cents per bushel.

Mr. Speaker, what has happened in the last two or three years in the marketing of Canadian wheat indicates that this government has lost its way and that Canada's share of the world market, proportionately to that of other exporting countries, has been frittered away not only by the failure of this government to act but by its refusal to admit that the problem even existed. Whenever the matter was raised in the house the government has answered in an offhand attitude of bravado, "After all, time will tell" or in effect saying, "All is well".

Today's revelation makes this a black Monday in the history of the wheat farmers of Canada. No one expects the government to do everything, but surely in the face of a world situation such as has prevailed in the last two or three years we should have had some action of an effective nature, something of an intensive sales campaign by the Department of Trade and Commerce, in place of optimistic statements made from time to time.

Having said that, sir, what I intend to refer to today is in general the development of our resources in order not only to meet the present unemployment situation but also to provide for development so as to assure all parts of Canada something approaching equality in national development to the end that our provinces may advance together reasonably equal in the opportunities that are afforded. In the last two or three days I have been privileged to be in the maritimes and to see something of the resources of Nova Scotia and New Brunswick and the fact that that part of Canada is not receiving—

Mr. Speaker: May I interrupt the hon. member at this point to inquire from him if he intends to leave the subject of wheat and enter upon another subject? He has introduced the question of wheat as a grievance and he cannot leave it to go into another subject unless he allows other members to terminate the discussion on the subject of wheat.

Mr. Diefenbaker: Mr. Speaker, may I give you a preview and tell you what I intend to say? I intend to deal in general with the development of our resources to the end that markets will be provided within our country and opportunities given to a greater degree for the marketing of our farm products here by a development policy designed to bring about equality of expansion in all parts of our country. That is what I am concerned with at the moment, Mr. Speaker.

Mr. Speaker: I think the hon. member is about to cover too much territory. The subject of wheat was introduced, and other hon. members may wish to continue with that subject. We might as well initiate another budget debate if the hon. member is to be permitted to go over the entire picture of the natural resources of the country and deal with the finding of markets for all these products. The question of wheat is one which in itself is substantial and has very often been

made the subject of a grievance before going into supply. For instance, I would refer the hon. member to the fact that on February 18 the question of the final wheat payment for 1953 was raised in a similar motion by the hon. member for Assiniboia and we dealt with nothing else but wheat at that particular time. I am afraid the hon. member is perhaps embarking upon too large a territory, and that might create difficulties.

Mr. Diefenbaker: I did not know the minister was going to give his report, but I base my argument this afternoon on a Regina *Leader-Post* editorial of January 17 headed, "Income Drop Shows Need for Dam". I am going to deal with the fall in agricultural income. I wish to refer particularly to the situation in the province of Saskatchewan and the need of something being done to assure equality of income as well as assurance and security of income.

When Your Honour says that I may not deal with the situation otherwise than with respect to wheat, I have no objection to that restriction. What I want to do is deal with the fall in farm income as revealed in the said editorial comment. Then in particular, I wish to deal with the failure of the government to provide for an assurance of a continuing source of income in the western provinces through the provision of such projects as the one to which I wish to refer particularly.

Mr. Argue: I wonder whether I might make a comment on the point of order. I have no objection whatever to the hon. member for Prince Albert proceeding in whatever way he wishes, but I also have some comments to make about wheat and some other matters and I am quite prepared to do it. I do not mind waiting until my turn comes, whenever that may be, but I think whatever latitude is given to the first speaker should also be given to the others.

Mr. Speaker: What I am concerned about is that we should not deviate from what has been the practice with respect to the raising of grievances. It must be a specific grievance. According to the remarks the hon. member for Prince Albert has just made in explanation of what he intends to bring forward, he wants to deal with markets generally and the loss of markets for farm products and then, although he has already dealt with wheat, he wants to deal with the South Saskatchewan dam. He has just indicated he wants to deal with that point because that is the point to which the editorial in the Regina *Leader-Post* has reference. Furthermore, he wants to deal with the low incomes with which the farmers are now being faced. Maybe the hon. member is going to conclude his remarks with an amendment to the motion to go into supply. That would certainly specify the grievance he has in mind.

If he is not going to terminate his remarks with such an amendment, then I am afraid I must say he can always deal with these various other subjects when other motions to go into supply are presented. At this moment, however, it would not be proper to initiate another budget debate, and it is certainly contrary to our practice not to have a specific grievance raised at this point.

Mr. Diefenbaker: Mr. Speaker, your suggestion will deprive the amendment of the argument that would have been used in its support which, if I may conclude with a few words, would be based upon the editorial in the Regina *Leader-Post* headed, "Income Drop Shows Need for Dam", and which points out that the bureau of statistics has reported a steep drop in Saskatchewan's income in 1954 and that the statistics on farm earnings contain the seeds of an irrefutable argument in support of the contention that action should be taken immediately to provide for the construction of the dam.

I shall move the amendment without any further argument, because all the arguments have been advanced. I therefore move, seconded by the hon. member for Esquimalt-Saanich (Mr. Pearkes):

> That all the words after "That" to the end of the question be deleted and the following substituted therefor:
>
> "this house is of the opinion that the government should give consideration to the immediate construction of the South Saskatchewan river dam and irrigation project."

Mr. Speaker: How can I accept an amendment to the motion to go into supply with respect to the construction of the South Saskatchewan river dam when the hon. member has made a speech on wheat? I want to be quite reasonable, and I want to understand the position of the hon. gentleman exactly as he indicated it. I do not want to do any injustice to him. It may be that my knowledge of affairs with respect to the construction of dams, and the problems relating to them, leaves much to be desired. Perhaps the hon. gentleman can help me in the dilemma in which I find myself at the moment.

Mr. Diefenbaker: As you stated, Mr. Speaker, I may not develop my argument in support of the amendment. Farmers' income has fallen, and therefore I wished to contend that the dam was needed at this time, first to secure permanent production and, second, to assist unemployment at this time and

provide a means whereby security for the farmers may be maintained in the future. Your Honour has taken the view that I may not argue the reasons, and therefore I cannot develop the argument. I have to restrict myself to generalization.

Mr. Speaker: I am not the only one who is puzzled because the Minister of Trade and Commerce (Mr. Howe), thinking the grievance raised at this time concerned wheat, remained in the house until he found out at the last moment that the hon. member was turning to the South Saskatchewan dam and irrigation project. Now we have the Minister of Agriculture (Mr. Gardiner) interested in the problem.

It may be that other members will have arguments to introduce concerning the dam which will not bear so much on the wheat problem. I see that the house is in a good mood, and therefore I will consider the point. I am not allowed, of course, to assume things but I believe I would not be too far wrong if I were to say that the hon. gentleman, having heard the statement from the minister on wheat, decided to discuss the matter of wheat while at the same time having the intention of discussing the South Saskatchewan river dam and irrigation project.

This puts us in a predicament. What are members going to talk about now? Here we have arguments introduced concerning the statement on wheat made by the minister before the orders of the day, and the hon. member ends up with an amendment to the effect that the government should give immediate consideration to the construction of the South Saskatchewan river dam and irrigation project. If I were to be strict, I certainly would not accept this amendment. I will say this immediately, that I hope this will not be taken as a precedent. We are now dealing with the South Saskatchewan river dam, and apparently considering wheat only in so far as it relates to the dam.

Mr. H. R. Argue (Assiniboia): I must confess that I was not sure whether I was going to be able to talk about wheat or the South Saskatchewan dam. But since the South Saskatchewan dam may, in itself, according to statements that have already been made by the hon. member for Prince Albert (Mr. Diefenbaker) and by Your Honour, in some way be connected perhaps I may be able to continue to keep some connection between the South Saskatchewan dam and the statement made by the Minister of Trade and Commerce (Mr. Howe) this afternoon. The statement the minister made to this house is certainly a severe economic blow to Saskatchewan.

Mr. Speaker: Order. I believe all members realize that at this moment it is quite difficult to keep decorum in the debate if we are going to have, on the one hand, members discussing wheat in relation to the statement made by the minister today, and on the other hand speak to an amendment indicating that the grievance is the consideration of the construction of the South Saskatchewan dam. Surely, there must be a way of arriving at a solution to this dilemma. The hon. member for Prince Albert (Mr. Diefenbaker) was the first one to take the floor, and therefore had the initiative in moving an amendment. Having discussed the statement made by the minister on wheat, and then at the end moved this amendment which deals with another subject, he has left me in this position: if I accept the amendment, how can I refuse permission to hon. members to deal with wheat? Are we going to have a general discussion on wheat on the amendment which is now before the Chair and which deals with the South Saskatchewan dam?

By unanimous consent could we not—I am trying to find a solution and the more I think about it the more difficult it becomes. At this moment we should either discuss wheat and leave the South Saskatchewan dam until later or we should take the amendment now and leave wheat until later. That is the situation. I would be quite prepared, if hon. members would agree, to have a discussion on the South Saskatchewan dam now and allow the question of wheat to be reintroduced later as a second grievance. I believe that might be a solution. We cannot discuss both at the same time. If that is agreeable, that seems to be a reasonable solution. Let us leave in abeyance the subject of wheat, and let us say that the hon. member for Prince Albert has dealt with it prematurely. Let us deal now with the subject matter of the amendment, and talk about the immediate construction of the South Saskatchewan river dam and irrigation project. Later, when this question is disposed of, we can deal with the question of wheat.

Mr. Argue: On the question of the South Saskatchewan river dam, I think that we have already—

Mr. Thatcher: I rise on a point of order, Mr. Speaker. With all deference to your ruling, sir, if the rules have not been obeyed I think they should be. The matter of wheat has been introduced, and it is a matter which should be discussed this afternoon. I, for one, would like to object, if I may be permitted to do so. I think you should enforce the rules, and I believe the house

would go along more expeditiously if the matter were handled that way.

Mr. Speaker: The hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) will understand that I did not make a ruling. I thought it was the general consensus that, in order to solve the dilemma in which we found ourselves, the members would discuss the subject matter of the amendment. Then, once this amendment has been disposed of, the hon. member for Moose Jaw-Lake Centre, along with others, may come back to the question of wheat.

Mr. Argue: I, for one, certainly think your ruling is fair and that the wheat question, important as it is and close as it is to my heart, could wait for another day.

I said we have already done too much talking about the South Saskatchewan dam. All we have had from the government opposite is talk and more talk; promise and repromise. Now, after 20 years of successive and continuous promises to the people of Saskatchewan that something would be done, we get from the Prime Minister (Mr. St. Laurent) of this country a continuing and definite "no". What is the Prime Minister's answer? It is the most amazing answer that anyone could possibly imagine. He says he cannot be convinced that it is in the national interest. How does one find out whether or not something is in the national interest? Surely the opinions of members of parliament should have some bearing on any conclusion as to whether or not this project is in the national interest. And so far as the three opposition parties are concerned let me say this, that any time I have heard members in the C.C.F., the Social Credit or the Conservative parties make statements on this question of the South Saskatchewan dam, I have heard them give their willing support to it. And even though the C.C.F. party, of which I am a member, has usually obtained its chief strength in Saskatchewan, and as a result the Conservative and Social Credit parties have not had the same strength in that province, the members of those parties have been broadminded enough to look at this project as one in the national interest. And, because of this, the Conservative and the Social Credit parties have supported the South Saskatchewan project.

Oh, the Liberal party has supported it, too—that is, some remnants of the Liberal party, some splinter members of the Liberal party and of the cabinet. But the cabinet does not support the building of the South Saskatchewan dam. One might expect some support from the Minister of National Health and Welfare (Mr. Martin), because if there is one thing he is good at it is the process of making political speeches. While I do not have reports of his speeches before me, I do recall press reports of speeches he made in by-elections, particularly the one in Rosthern in 1948, in which he said that the returning of a Liberal member to parliament was very important, if the people of Saskatchewan wanted to have the dam built. He implied that all the people of Rosthern had to do was to elect a Liberal candidate to parliament, that that would be the green light to the cabinet, and that the people of Saskatchewan could look toward the building of that project.

Well, that was just another promise that meant nothing. The Minister of Agriculture (Mr. Gardiner) has campaigned in every election, provincially and federally, since 1935, and usually quite successfully. One of his main planks and one of his chief promises has been that the Liberal party would build the South Saskatchewan dam.

Mr. Gardiner: Some day.

Mr. Argue: "Some day"—and there is more truth in that interjection than in all the speeches the Minister of Agriculture has been making on the subject in the last 20 years.

Mr. Gardiner: They have all been to the same effect.

Mr. Argue: I am afraid if we wait for the Liberal party to build the South Saskatchewan dam, and if we wait for the present Prime Minister to build the South Saskatchewan dam, then, at the rate they are going, the dam will never be built. No, it will never be built because apparently the Prime Minister has a very narrow idea of what is in the national interest. His idea is so narrow, when considering what is in the national interest, that the farther a project gets away from Ottawa apparently, in his view, the less importance it has.

The Minister of Agriculture should be attempting to persuade the Prime Minister to build the dam, instead of coming out with more talk and more propositions, most if not all of which are fictitious, and pretending to the government of Saskatchewan that the dam is just around the corner.

The C.C.F. party believes that any project, no matter where it may be built, if it is in the national interest and is so considered by a majority of members in the house, should be built. Even though the St. Lawrence seaway development may not help Saskatchewan particularly, we are prepared to support it, although that development in the main may benefit certain sections of the Canadian people more than some other

sections. Nevertheless Canadians from Newfoundland to British Columbia support the St. Lawrence seaway.

I believe the only real obstacle in the way of the South Saskatchewan dam at the present time is the Prime Minister himself. If he would stand in his place in the House of Commons and announce to the house and country that the government intended to proceed with the building of this dam, I am convinced his announcement would receive the unanimous approval of all members of parliament. But one man—only one—stands in the way. And I am afraid that, as the days go by, more and more is one man going to stand in the way of other progressive measures the people of this country want. I could name them—national health insurance, full employment measures—all these things, and only one man cannot be convinced. The great Uncle Louie has become the chief barrier to progress in this country along the lines I have just mentioned.

An hon. Member: How ridiculous can you get?

Mr. Argue: We will be very glad to have speeches from the hon. member for Swift Current-Maple Creek, and from any others who may wish to speak.

I have never been one who would take away credit where it was due, even if it concerned a Liberal member in the House of Commons. I have never refused him credit if he supported those things that are right and in the interests of the people he represents. I remember a debate not so many years ago in the house on the subject of making a larger final payment on the five-year wheat pool. I recall that two members on the Liberal side of the house—I believe the hon. member for Vegreville (Mr. Decore) and the former member for Springfield—voted in favour of that motion. I have never hesitated on any platform to give them credit for voting in that way.

Mr. Studer: How did you vote?

Mr. Argue: If Saskatchewan Liberal members would vote for the amendment now before the house they would show by their votes that they really want the South Saskatchewan dam, and would be doing something to help the province they represent.

Mr. Studer: May I ask the hon. member a question?

Mr. Argue: The answer is no.

Mr. Studer: How did he vote on the bill for $65 million? He was not even in the house at that time.

Mr. Speaker: Order. The hon. member for Swift Current-Maple Creek asked the hon. member for Assiniboia if he would permit a question, and the answer was no. Therefore the hon. member for Swift Current-Maple Creek must resume his seat.

Mr. Argue: If the hon. member who is interrupting would take time out to talk to the Prime Minister on this subject, and show when the vote is taken how he stands on it by voting in favour of it, and in the interests of the people of Saskatchewan, he would be making a far greater contribution than by interrupting when other members are speaking. And if the Minister of Agriculture ever hopes to have the South Saskatchewan dam approved by the cabinet and by the Prime Minister, then as the cabinet minister from Saskatchewan the Minister of Agriculture should ask his colleagues in the Liberal party from Saskatchewan to vote for this amendment.

The people of that province have waited far too long. They are indignant that continuous Liberal promises have not been kept. The South Saskatchewan river dam is important to the economy of the province and of the rest of western Canada. Though at the present time we face a problem of too much rather than one of too little moisture, nevertheless the history of western Canada proves that great portions of it, particularly the Palliser triangle, go through recurring periods in which there is lack of rainfall.

The government says it would take 10 years to build the South Saskatchewan dam, and probably this would be one of the best years to start the project. We have had a series of years when there has been higher than average rainfall; it could easily happen that by the time the dam is built, if not before, Saskatchewan would be back to a period of low rainfall, when the vast quantities of water the dam would store could be utilized for irrigation purposes, to provide water for 500,000 acres of land.

Surely that is the kind of planning and the kind of leadership the people of Saskatchewan and of Canada should expect from their government. Surely the government should look ahead to protect the people of the nation against catastrophes that we all know will recur at some time in the future.

Probably there has never been a year since the beginning of the war when the dam could be better built, more easily built, and more easily afforded by the people of Canada than right now in 1955. I say that the building of the South Saskatchewan dam and the great irrigation projects connected therewith is not mainly a matter of financing,

and the cost should not constitute any difficulty for the federal government. Why? You should not look at the amount of money it takes, you should look at the resources of Canada to see if Canada can produce such a project within the next ten years. During the war we were told by Mr. Ilsley, a former minister of finance, that cost would not be allowed to stand in the way of a maximum war effort, so the financial cost of the dam and other important projects should not be allowed to stand in the way.

I say that we have the resources. We also have people idle in Canada, the latest figure being over 600,000. I may not have seen as many freight trains go by on the main lines of the railroads as have other hon. members in this house and therefore I was perhaps more surprised than other hon. members would be had they seen what I saw yesterday. Just outside of Sudbury I saw a train going west on the main line of the C.P.R. with dozens of men back riding the rods. I have not seen that myself for some fifteen years. There were dozens of them on flat cars which I saw yesterday just west of Sudbury.

I am sure that those men and countless thousands of men in Canada like them who are unemployed would be pleased to accept a job building the South Saskatchewan dam. I contend that when you put your unemployed to work it does not cost the country anything. The manpower is available, and we know we can get the resources as far as machinery is concerned. The main implement and machinery producing factories in Canada are working today at half capacity or less. There is no industry which faces a greater current unemployment than the Canadian farm implement industry.

We hope that there will not be a crop catastrophe in western Canada again this year, but there may be and certainly the purchasing power available today in western Canada is only a fraction of what it was a few years ago. The demand for farm machinery likely to prevail in Canada within the next twelve months is bound to be a whole lot less than was the demand for machinery in 1951 and 1952 and even in 1953.

So let us use our idle machinery industry to produce the large scale construction equipment necessary to build this dam. Let us put hundreds of Canadians who are now unemployed to work building this valuable project. Let us do something in the next few years which will protect this large section of Canada from something which we know is bound to happen in the future, namely, further periods of widespread crop failure.

[Mr. Argue.]

There is another reason why this dam should be built. Saskatchewan is short of electrical energy. Experts tell us that the building of the South Saskatchewan dam would provide 400 million kilowatt hours of electricity a year, a huge amount of electricity. This is something the people of Saskatchewan need as quickly as they can get it, not just for those years in which there might be bad crops but for each and every year of the years that lie ahead.

For all of these reasons I expect that opposition members will give unanimous support to the amendment moved by the hon. member for Prince Albert (Mr. Diefenbaker) and I hope that some of our western Liberal members of parliament, in particular Saskatchewan Liberal members, will stand by the interests of the people who sent them here and support this reasonable and worth-while amendment.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, in view of the appeal which has been made by the hon. member for Assiniboia (Mr. Argue), in view of the fact that I am a member from Saskatchewan, I feel I should say a few words at this stage. In the first place, the hon. member in waving his arms and getting very excited about the South Saskatchewan dam managed to get a little away from the actual facts.

An hon. Member: He never was close to them.

Mr. Gardiner: The South Saskatchewan river dam was not known as such to any person either inside or outside this house until 1946, which is not 20 years ago. The Minister of Agriculture was responsible for trying to find a place where the dam could be built and this had to be done before talking about building a dam. No one else in this house was responsible for those activities; the responsibility was that of the Department of Agriculture and it was assumed by the Department of Agriculture.

Under its activities in connection with the P.F.R.A. it endeavoured to find out whether there was some place on the South Saskatchewan where a dam could be built, if it could be built, and just what the effects would be. That was found out by 1946 and since 1946 we have been discussing the possibility of building it. At no time have I taken any other position than that it should be built. I have not said it is going to be built. I think every hon. member on all sides of the house will agree with that. I have constantly advocated the building of the dam and I still advocate the building of the dam.

As I said a few moments ago when interrupting, I am still convinced that some time the government of Canada is going to build the South Saskatchewan river dam and I expect that the government of Canada that does build it will be a Liberal government. I have no hesitation in saying that.

Mr. Knowles: You had better get started soon.

Mr. Gardiner: That may be the opinion of some people, but there are others who have a different opinion. I know the reason why this resolution is brought forward at this time. I know too why an association between the official opposition and the C.C.F. comes to light in the proposal which is made.

There are some people who think that there is going to be an election in Saskatchewan before very long. The fact that one has been brought about on a few hours' notice in the province of Alberta has given some people reason to think that maybe the same thing will happen in Saskatchewan. So an effort is being made to make issues out of everything of which an issue can be made.

At the moment the question before this house is not the South Saskatchewan river dam; the question before this house at the present time is whether or not the house has confidence in this government. Everyone who knows anything about the rules of the house knows that when a motion is made to go into committee of supply and an amendment is moved, that amendment is nothing more or less than a motion of want of confidence in the government.

Mr. Johnston (Bow River): Page the hon. member for Swift Current-Maple Creek (Mr. Studer).

Mr. Gardiner: That may be all right. Page the hon. member for Swift Current-Maple Creek or anybody else, but I have been in this house as long as most hon. members and I have been in other legislatures much longer than any other hon. member of the house and I know what the rules mean.

I know that when an opposition—it does not make any difference whether it is an official opposition or whether it is the C.C.F. or whether it is the Social Credit or what opposition it is—get up, on an occasion when a motion is made in this house to go into committee of supply, and make some other kind of motion, some other amendment, or even simply oppose that motion there is only one thing in their minds and that is that they do not have confidence in the government of this country. So the only thing upon which members are going to be voting, the only thing upon which I am going to be voting, if this amendment is voted upon, is whether I have confidence in them.

Mr. Johnston (Bow River): Have you?

Mr. Gardiner: I certainly have and I would not have any confidence whatever in a Social Credit policy, no matter where they set it up. The fact is that there is an election campaign on at the present time in Ontario which involves the Conservative party and there is one on in Alberta, which concerns the Social Credit party. Some of our friends hope that there may be one on soon that affects the C.C.F. party.

An hon. Member: Are you worried?

Mr. Gardiner: No, I am not a bit worried. As a matter of fact, I would not be at all worried, if I lived in the province of Alberta, with the issue that is involved out there at the present time. Being a Liberal, I would not be in any way worried.

An hon. Member: Who made the issue?

Mr. Gardiner: It does not make any difference who made the issue. The people who are in the government and have done the things they have done may make a possible issue. If I were living in Alberta I would make the issue based on what the government has been doing during the period they were in office.

Mr. Argue: When are you going out to campaign?

Mr. Gardiner: I may be out there long before you think.

Mr. Harkness: I think it would be a good idea.

Mr. Gardiner: What I am going to say here this afternoon is that a member who votes for the amendment before the house at the present time—it does not matter whether he is a member from Saskatchewan or anywhere else—is voting on what amounts to a vote of want of confidence in this government and is not voting on any other issue. They are bringing up the question of the South Saskatchewan river dam as a means of trying to win over the votes of a few people, or if you do not win them over you can go out into the constituencies and say that so and so voted against the dam. Nobody is going to tell anyone in Saskatchewan that I am against the dam. Nobody is going to be able to tell anyone in Saskatchewan that the hon. member for Swift Current-Maple Creek is against the dam. Nobody is going to be able to tell anyone in Saskatchewan that the hon. member for Qu'Appelle or the

hon. member for Rosthern or the hon. member for Meadow Lake is against the dam. They are all for the dam.

Mr. Knowles: Nobody can say that the Prime Minister is for it.

Mr. Gardiner: The fact of the matter is that they are not going to vote against this government because they do not build the dam tomorrow. There are times for doing everything.

An hon. Member: Tomorrow never comes.

Mr. Gardiner: That is what this motion says, to build it immediately. The only issue that is clear when you read the amendment is the question as to whether or not the government should proceed to build the dam immediately, and the only thing that is in the minds of those who are moving it and of those who were going to support it is the question as to whether or not they can work up some political issues that might be used in Ontario and in Alberta and possibly in the province of Saskatchewan. There is nothing else in their minds. Resolutions of this kind before this house do not help to build the Saskatchewan dam. The fact that the majority of necessity will vote against the words does not help. They do not help to do anything except to create political attitudes and political sentiments of one kind or another that can be utilized for the purpose of trying to gain votes or lose votes for some person. So I want to make it perfectly plain that I am going to vote against the amendment. I want to make it plain at the same time that I am in favour of the South Saskatchewan river dam. My hon. friend from Winnipeg North Centre knows that if it were an issue that involved the people sitting in his group he would be speaking and voting as I am speaking and voting.

Mr. Knowles: I also know that there have been occasions when amendments to go into supply have been carried in this house.

Mr. Gardiner: Ask my friends who come from the province of Saskatchewan how many times similar motions made in the Saskatchewan provincial legislature by opposition members, perhaps for the same purpose as this amendment is being moved, were voted for by the C.C.F. members on those occasions. Not at all, of course. In making this amendment, they have no idea at all of assisting in building the South Saskatchewan dam. I have made it plain that I am both in favour of the government and in favour of the dam. When I vote I am going to vote in favour of the government, believing that if the dam is ever built it will be built by a Liberal government.

[Mr. Gardiner.]

Mr. Solon E. Low (Peace River): Mr. Speaker, I am very glad that the minister has spoken just before me on this important matter. I am glad that he said some of the things he did say, although on more sober reflection he may wish that he had left some of those things unsaid. As he gets a little older and more mellowed, he is getting more careless.

To begin with, as I listened to the hon. member for Prince Albert (Mr. Diefenbaker) introducing the subject for discussion this afternoon, I was a little puzzled when I heard him talk briefly about wheat and then bring the matter around to the question of the South Saskatchewan dam. I wondered if he was going to propose that he take the surplus wheat out there and build the dam with it. That would be one good connection between the subjects that were being discussed. Then it occurred to me that perhaps he really did want to have before the house the question of the building of the South Saskatchewan dam as a means of improving the farm situation. I was pleased, therefore, Mr. Speaker, that you did suggest that we discuss first the building of the South Saskatchewan river dam and leave the wheat question until later.

Now I should like to deal briefly with some of the things the Minister of Agriculture said. I want to assure him that I am not talking about this matter this afternoon for any political purpose whatsoever. If he thinks that everybody in this house plays politics every time he gets up to say something about a matter, I think he should reflect a little on some of the things that have happened in the past, and I am going to remind him particularly of one. I believe it was in 1946 when a certain resolution was brought into this house asking the house to give its approval to the discontinuance of milk subsidies that had been in effect during the war, subsidies that had proved to be very effective.

Mr. Gardiner: In answer to that, I might say that I do not remember it personally because, I believe, I was over in England at the time.

Mr. Low: That may be so, but at any rate the resolution was brought in. Members from several sides of the house, the Liberal side as well as the opposition side, spoke very vigorously against the removal of those subsidies. I recall very distinctly how, after every person in the debate had expressed himself strongly opposed to it, and it looked as if, when the matter came to a vote, the resolution would be defeated, the Prime Minister came into the house, stood in his place, looked around and said to his followers, "This is not a free vote". All of the

good boys on the Liberal side of the house who had spoken actively and vigorously against the removal of the milk subsidies, when the vote came, voted solidly for the resolution and against their convictions. It looked to me as if the minister today is a little afraid that some of the Liberal members from Saskatchewan might perhaps get up in this debate and express their keen desire to see the South Saskatchewan dam built, and for that reason wants to get a word of warning to them.

Mr. Gardiner: I rise on a question of privilege. The hon. member for Assiniboia (Mr. Argue) twice in his speech challenged me to get up and say how I was going to vote on this issue—it had nothing to do with what the other men were going to do but how I was going to vote—and I answered him.

Mr. Low: You went further than that. Before you told anybody how you were going to vote, you made it abundantly clear to your supporters on the other side of the house that if they voted or even spoke in favour of this thing they would be playing on the basis of politics and would be voting want of confidence in your government. That is what you did.

Mr. Gardiner: I still recall that, when my friend was a member of the government in Alberta, that is exactly the position he took.

Mr. Low: No, that is not the position he took under any circumstances. I challenge the minister, now that he has made the statement, to bring forth one bit of evidence to that effect. I will just challenge him to go through the record and bring forward one bit of evidence to support what he has now said. He cannot do so.

Mr. Gardiner: I have never known of a session of any parliament anywhere in the British Empire where somebody in the opposition did not move the kind of resolution that is now before us; and I know that every member of every government, no matter what the party, has always voted as I am suggesting that they ought to vote.

Mr. Hodgson: Who is making this speech?

Mr. Low: Yes; one begins to wonder about that. But I want to assure the minister that I am not speaking this afternoon for any particular political reason at all. If it is politics to express one's opinion or his deep conviction about a matter, then I am guilty. But I did not raise the subject because I wanted to make an issue in Saskatchewan, Ontario, Alberta or anywhere else. I may say quite frankly that my opinion with respect to this matter that is being discussed would not get me any votes in Alberta; that is a cinch. Under present circumstances I certainly would not try to inject an issue into the Saskatchewan situation.

When the minister talks about issues, let me say this. Believe me, his party in the province of Alberta have been so utterly bankrupt of ideas that they had to seize upon some things on which they thought they could make an issue, and they got caught with their political pants down. The only thing in the world that Mr. Manning could do was simply to say, "All right, boys; if that's the way you want it, that's the way you're going to get it". That is the way they will have it. But there has been nothing but obstruction. There has been nothing but silly charges, unsupported by anything but the flimsiest of technicalities. I think it would have been better if my hon. friend had stayed off that subject because before the next month or six weeks are over he will have reason to give the matter very serious reflection and wish he had not done so.

I want to make it abundantly clear, Mr. Speaker, that I am not trying to create an issue. The issue has been created, and I will tell you when it was created. It was created a number of years ago when, for what I think were purely political purposes, the question of building the South Saskatchewan dam was introduced into Canadian politics by the Liberal party when I do not think they had the slightest intention whatsoever of building that dam within the foreseeable future. I am satisfied—just as satisfied as I am of the fact that I stand here—that they were nothing but idle promises designed for one purpose only, namely to get votes, to lead the people to believe that they were going to do it. As my friend the hon. member for Assiniboia has said, the South Saskatchewan river dam, over a period of a great many years, has been made a political football. That is something that should not have been done.

However, it is because I wanted to express my point of view that I got into the discussion here this afternoon. In times like these, in days when there are nothing but floods in a country, I think it is hard to appreciate how important irrigation can be. Many people out there say, "Let us get the water out of the country and never talk about it again". I understand how the people feel down in the Qu'Appelle country and in the other areas recently flooded by the terrible storms in Saskatchewan. We all understand that when you have a surfeit of things you are not too greatly interested in them. If you get a good meal of potatoes, you do not want any more potatoes for a little while.

It is the same with water. But in the cycles of drought that occur in the western country there comes a time when irrigation water is just like lifeblood. I am sure the time will come when the people of Saskatchewan will want that water badly. As a matter of fact, over many decades they have needed the water that can be supplied from the South Saskatchewan river through the building of a dam to water these parched acres and to ensure something like stability in agriculture out in that country.

I think that the hon. member for Prince Albert (Mr. Diefenbaker) wanted to say something about the serious decline in farm income and perhaps to use that fact as one of his arguments for the building of this dam. During the past several weeks, in the course of the budget debate and others, a number of things have been said about the serious decline in farm cash income. My colleague the hon. member for Acadia (Mr. Quelch) the other day, I think, mentioned the fact that since 1951 there has been a decline of $1,025 million or some such figure in the net income of the farmers of this country. That is an extremely serious decline in farm income.

I understand that in this past year farm income made up only about 6 per cent of the total national income, although the farmers as a class make up about 16 per cent of the total population of Canada. That is far below the fair share of farming people as a whole. Some means will simply have to be found to bring that farm income up so that farmers generally have their fair share. If they make up 16 per cent of the population, then they are entitled to something like 16 per cent of the national income in Canada. That is the position that we take.

What has that matter to do with the question in point? The serious decline in farm income during the past few years has occurred largely as the result of the problems associated with the production and the marketing of wheat. Everybody knows that with the three bumper crops in a row there were created problems which made it exceedingly difficult to keep farm cash income at a level that would make it possible for the farmers to enjoy prosperity and to buy the goods that are flowing from the factories. The failure of this government to establish markets and to take advantage of market situations that were available throughout the world has materially complicated the farm income situation.

I remember when the Minister of Trade and Commerce scorned the idea of accepting soft currency to a limited extent in return for wheat. I remember when he said, "No; no country would be prepared to deal on a basis of that kind". Many foolish things were said at that time also about Britain being unprepared to buy our wheat and to pay for it to a certain degree in pounds sterling.

The fact now is that Japan, Israel, Sweden and a number of other countries have already accepted substantial amounts of wheat from the United States and have been able to pay for it in their own currencies, which currencies were left in their countries to be invested to help them to bring up production of those things which the people in the United States would want to buy.

It has been admitted in this house by the Minister of Trade and Commerce that our wheat marketing situation in Canada has been complicated to a large degree by the methods that are being used by the United States. That is one of them. There is no reason in the world why Canada should not have been preserving her position as the outstanding wheat country in the world by accepting to a degree those soft currencies. There is also no reason why we should not have been leaving those currencies on deposit in those countries from which we are prepared to accept it in order to help those countries to bring up production of the things which Canada would want to buy, and there are plenty of them. But we sit still and say no, we are only going to accept one thing, cash or hard currency, United States dollars under the Bretton Woods agreement. As a consequence we find ourselves taking a back seat to some of these other countries because we are not courageous in our trade outlook. We seem to be frightened to death about trying something new, something other countries are perfectly willing to try and make succeed. I say to you, Mr. Speaker, that has complicated our situation in this country to a very great degree, and has accounted to some extent for the decline in our farm income.

One could easily say, of course, that we are raising too much wheat. I suppose under present policies of marketing maybe, but if we are, and if the government at the same time is not going to use any vision and imagination in its marketing policies and in devising new means to get our wheat into the hands of people who need it and want to use it, then it seems to me the next best thing would be for us to encourage our people in the diversification of farming operations. One means of encouraging them to diversify their farming operations would be to have them use irrigation water, and that is exactly the kind of thing envisioned in the protest now before the house.

Saskatchewan has had a very difficult time for many years. Without question Saskatchewan is the greatest wheat province in

Canada, but there are years when Saskatchewan has a most difficult time when the lands become parched because of drought. When the lands of the wheat area are parched the farmers suffer and production is practically nil.

One way to help that situation is to make use of our water resources, and the building of the South Saskatchewan dam would make it possible to water thousands of fertile acres in that province that are capable of producing some of the finest foodstuffs in the world. I draw your attention to the fact, Mr. Speaker, that years ago the Lethbridge area in southern Alberta was about the same as the southern Saskatchewan area. It was subject to these frequent drought cycles, and when they came that part of the country was very hard hit and the people felt it. But years ago we took advantage of the possibilities that were available to us to develop our water resources in that province. We developed large irrigation areas surrounding the city of Lethbridge; and for the past several years now, as a consequence of what has been done in the development of irrigation, the per capita income tax payment of the people of the city of Lethbridge to the government has topped that of every other city in Canada. Why? Simply because Lethbridge is in the very centre of a large irrigated area, and the irrigation farming that goes on in that area contributes dollars year in and year out.

There is very little, if any, failure, because of the stabilizing influence of the water on the soil. If one cares to look into the record he can find recent reports in such magazines as *Western Business* indicating how important that area has become in the production of foods, especially garden crops. It is expected that within the next few years a $70 million a year frozen vegetable industry will be centred in the city of Lethbridge and its immediate vicinity. There are now several fairly large plants that are processing garden vegetables like peas, beans, carrots, broccoli and that sort of thing. Experts say that the long hours of sunshine, the quality of the soil and the abundance of water in that area make it possible to produce the finest peas in the world.

The same thing could be said of southern Saskatchewan. The soil is not different. It has the long hours of sunshine, and I often wish we could get some of it while we are here in Ottawa. There is an abundance of water in the South Saskatchewan river which, if scientifically applied to the soil, would make it possible for the farmers there to develop the diversified farming activities that would transform the whole country out of all semblance to its present state.

Having experienced that sort of thing in Alberta, having seen what can be done, that is one of the reasons I have constantly supported the expenditures necessary to build the South Saskatchewan irrigation project. I must say right here I have not been too vocal in supporting the idea of power development. I am not certain in my own mind whether the government of Canada should make contributions to the provinces for the development of power. I am still open to conviction, but I certainly have no doubt about my stand and the stand of my group in the house so far as support of the irrigation project itself is concerned.

One could talk for three or four hours about the evidence available to show how important it would be from the national point of view to build the dam and develop the diversified farming activities that are possible in that whole area of southern Saskatchewan. If we are going to get away from the disabilities attached to a wheat economy we have to give consideration to the production of other crops that can be sold in this country. If that area were under irrigation certainly the production of coarse grains would make it possible to finish more beef. The production of garden crops for processing and freezing to replace the millions of dollars worth we now bring in from the United States every year would be enough justification for the government to lay out the money necessary to build the dam.

I am satisfied in my own mind, too, that the government of Saskatchewan is ready to provide its share of the necessary expenditures. I think the premier of that province has indicated on several occasions lately that he is prepared to accept his share of the cost if the federal government will move and adopt something like the formula adopted in the development of such projects in the province of Alberta. Not to multiply words, may I say that I am surprised, in fact I am disgusted, at the stand the Minister of Agriculture took this afternoon. I think it was childish in the extreme. It was a stand we did not expect from a first-line minister, one who has "right honourable" attached to his name. It seems to me he should have made a statesmanlike speech on the whole matter, indicating how important the project is. Instead he gets up and says to his supporters: Now look, boys, remember this is not the South Saskatchewan dam; this is a vote of want of confidence in the government because the opposition is trying to make political capital out of it.

I am not afraid of that sort of thing at all. You can say what you like about it. The hon. member for Swift Current-Maple Creek (Mr. Studer) can go out and say what he likes about how people voted, but let me tell him and everybody else that I am going to vote for the amendment because I believe in the South Saskatchewan dam. I believe it should be developed and I will vote for it in exactly the same way as I would have voted with my colleagues on the question of family allowances if I had been in the house in 1944. He cannot go out and tell the people that we did not vote for them or that we voted against them. The minister told his colleagues not to give these fellows a chance to go out in the country and say that they voted against the South Saskatchewan dam, but I am going to support the amendment.

Mr. Studer: May I ask the hon. member a question?

Mr. Low: Yes.

Mr. Studer: Did he not vote to defeat the government that brought in the proposal to establish family allowances in 1944—or rather the members of the Social Credit party?

Mr. Low: No, Mr. Speaker, I was not in the house at that time.

Mr. Deputy Speaker: Order. This amendment deals with the South Saskatchewan dam. The hon. member for Rosthern.

Mr. W. A. Tucker (Rosthern): In reference to what the hon. member for Peace River has said about the intention of the Minister of Agriculture when he spoke in this house, I would suggest that perhaps a fairer interpretation to put upon those remarks would not be that it was necessary for the minister to tell the members of this house just what would be the effect of carrying an amendment like this, but that it was to indicate to the people of the country exactly what is the situation. It is not a surprising thing that he should have done so, in view of the use that has been made by the C.C.F. party in Saskatchewan over the past 10 years of similar votes in this house.

Everyone who has followed things in Saskatchewan knows that motions like this are made repeatedly, and if the program of the government is to be carried on they have to be voted down, because they indicate lack of confidence in the whole program of the government. The members of the C.C.F. move motions like this and then go out and misrepresent them in Saskatchewan, indicating that members who have expressed confidence in the government voted against the subject matter of such amendments. Over and over again it has been suggested that such members were betraying the people who elected them. I think that was the reason the Minister of Agriculture said what he did, to indicate that the carrying of this motion would necessitate the resignation of the government or a general election, and would not promote the building of the dam.

Mr. Knowles: Would the hon. member permit a question? Does he remember how he voted on the milk subsidy amendment in 1946?

Mr. Tucker: I was in the house, and it was indicated that hon. members should vote as they saw fit. It was not regarded as a vote of confidence in the government.

Mr. Knowles: Then it is possible to have a free vote on that kind of a motion.

Mr. Tucker: If the government sees fit to so announce. The government has taken a definite position on this motion, and if it were carried it would mean that the government's announced policy had been defeated. If the government does not see fit to take that attitude—

Mr. Nicholson: Why not?

Mr. Tucker: It is a matter of policy for the government to decide. We operate under a system of responsible government. The government of the day announces a certain policy, and no group in the house can pick and choose in connection with that policy. This is one reason our system works so satisfactorily. The government adopts a policy which it considers fair to all parts of the country. If each part of the country in turn were given the right to pick and choose in connection with that policy, government under our system would become utterly impossible. Any student of constitutional government knows that quite well.

The government has taken the attitude that the South Saskatchewan dam project has not been demonstrated to the government's satisfaction to be something on which the government at present could recommend the spending of the necessary money. The government has taken that position alongside many other matters which it has decided and about which we in the west are very satisfied. Under our system of government, members have to decide whether or not they are going to support the government and take the policy as a whole, including perhaps some things they would like to have changed, or whether they are going to vote against the government and throw out that policy.

I sat as leader of the opposition in the Saskatchewan legislature, and no C.C.F. member here can tell me that C.C.F. members

act any differently in carrying on under our system of responsible government than members do in this parliament. Over and over again I have seen amendments moved which had the effect of indicating lack of confidence in the government. Repeatedly I saw C.C.F. members vote against those amendments because they wanted to keep the government in office; they believed in the government's policy as a whole. They believed that when the time came, if those things embodied in the amendments were good things the government would introduce them, and they were not going to throw out the government and its whole program on a motion of the opposition.

Mr. Diefenbaker: Would the hon. gentleman allow a question? I was wondering whether he thought the government would be greatly endangered if Liberal members from Saskatchewan were to vote as they liked?

Mr. Tucker: I am going to deal with that. I did not interrupt the hon. member, and I was going to come to that in a moment.

Mr. Diefenbaker: All right; that is fine.

Mr. Tucker: I was dealing with the attitude taken by the C.C.F. party. There is no use in the members of that party trying to pretend that there is anything out of the way in Liberal members saying they are ready to support the government, as they are, on a motion like this which expresses a feeling that something should be done right away that the government has indicated it is not ready to do. The C.C.F. know very well that at different times in Saskatchewan their members of the legislature could have been accused of being against increasing old age pensions; against increasing supplementary allowances for old age pensions; against giving bigger grants to school districts to help keep down taxes; against doing away with public revenue taxes, and against many measures that practically all their members indicated they favoured. In order that confidence in the government be continued, they voted against motions like this.

I believe that we should have a certain amount of honesty in connection with these matters.

Some hon. Members: Hear, hear.

Mr. Tucker: What in the world is the use of the C.C.F. pretending that when we vote on a motion like this, which involves the existence of the government, that vote indicates we have done something that shows we are not favourable to the building of this dam. There is no use in them saying that. One of the things I do say to them is that the misuse of votes like this in their propaganda throughout the country may have gotten them votes in the past, but basically people are not so easily fooled. In the long run, people are not as easily fooled as hon. members opposite may think. As I see it, people in Saskatchewan are turning against the C.C.F. party—

Mr. Ellis: You have been saying that since 1944.

Mr. Tucker: They have been gradually turning since 1944. The time will come when the C.C.F. will be turned out. One of the reasons the people are turning against them today is this dishonest attitude which exists even in this house.

It was very interesting when the hon. member for Swift Current-Maple Creek indicated that by voting against the amendment to the address in reply to the speech from the throne, which at that time embodied family allowances, they were voting against government policy. Had that vote carried the government would have been defeated, and that measure could not have been enacted at that time.

Mr. McCullough (Moose Mountain): You had better tell us about your stand on the Saskatchewan dam.

Mr. Tucker: That is a logical attitude. The suggestion has been put forward by the C.C.F. that when people vote to support government policy they are voting for something else altogether. I do not think there is any doubt that if this motion carried, the government having taken the position it had, there would be an immediate demand that the government resign and go to the country. By long established constitutional practice there would be nothing else for the government to do. I ask you, would that further the building of the South Saskatchewan dam? It certainly would no further it, not one little bit. And that would be the effect of carrying this amendment; there is no question about it.

The hon. member for Prince Albert asked a perfectly reasonable question. The suggestion was that if we from Saskatchewan were to vote for this amendment it would not in any way endanger the government, because it was suggested the government has a sufficient majority to carry the main motion without the votes from Saskatchewan. The hon. member asked a perfectly logical question, one that is asked by many people in the country from time to time.

I do not propose to try to answer it to the satisfaction of everybody; but I do want to

speak about my own attitude toward a proposition of that kind. I believe in our system of responsible government. I believe that in a country as widespread as Canada you must have a government from a party that is national in its appeal, and people in all parts of the country must be prepared to get behind the policies adopted by that government so long as it is trying to do what it thinks is right and fair to all parts of the country. If members of the House of Commons begin to vote in regional blocs and by provinces, according to the wishes and desires of particular blocs, and if the House of Commons were thus to break into regional parties then government, as we understand it today, government functioning on a basis of doing what is best for the country as a whole, would be utterly impossible.

Believing in that as I do; believing in our system of government; believing that the Liberal party has on the whole the right policies for Canada; believing that the government is doing a good job with those policies, I am not going to be diverted for a single minute in expressing my support. Why do I say this? Because a part of the country, such as western Canada from which we come, and which sends to parliament only a minority of members, would be the first to suffer by the kind of policy hon. members opposite suggest.

An hon. Member: Is that responsible government?

Mr. Tucker: If each member is going to vote only to suit his own individual area, or only to further an idea he may have at heart, and without regard for the over-all consideration, how can we in Saskatchewan ever hope to get anything? We have to go along with our fellow members from the rest of Canada in supporting things they believe are right, so long as what they ask is within reason, if in turn we ask them to support the things we think are right for us. And if we are not ready to go along with them and work together as a team, how can we expect them to vote for various items which, while helpful to us, would lose them votes in their own constituencies?

For example, I have no doubt that the Prairie Farm Assistance Act, under which this year $28 million is to be paid out to western Canada, might stand in that position, because there is no measure of that kind for any other part of Canada. It affects only the prairie provinces.

Mr. Nicholson: What about helping the gold mines?

Mr. Tucker: I did not interrupt you when you were speaking. I do not mind a reasonable question, but this mumbling and muttering from your seat is not proper.

An hon. Member: Tell that to the hon. member for Kootenay East.

Mr. Tucker: You can tell him that. Perhaps you should tell him, if you wish. If we are to have orderly debate, and are to have an opportunity to listen to what is being said, then an hon. member should not be mumbling from his seat, as the hon. member for Mackenzie (Mr. Nicholson) has done.

Mr. Nicholson: I would like to ask the hon. member this question: What about the assistance to gold mines?

Mr. Tucker: What has the assistance to gold mines got to do with this subject?

Mr. Nicholson: The hon. member said there was no other area receiving support of this kind.

Mr. Deputy Speaker: Order. Perhaps I should point out that we are discussing the amendment of the hon. member for Prince Albert.

Mr. Tucker: In what I have said I believe I have shown justification for the attitude I take in a matter of this kind. If one belongs to a national party, then one must accept the policy of the party and support it, and try to have that policy implemented from time to time, so as to deal fairly with all parts of the country, or it would be impossible to have a national policy or a national program. It might be necessary under a national policy to do something for certain parts of the country, even though other parts might consider such expenditures of money unwarranted.

We think the Prairie Farm Assistance Act is a good measure; we think it is justified. I have no doubt that in certain parts of Canada some might ask; why is the federal government spending so much money on this project? Perhaps the deficit after this year will be about $80 million, and someone might say, "Why should we spend so much money to help the farmers on the prairies in western Canada, in the event of crop failure, when we do not spend sums of money like that for farmers in other parts of Canada?"

An hon. Member: Or the fishermen.

Mr. Tucker: The answer is that, bearing in mind what is being done for other parts of Canada, this has been considered fair for the prairie section of western Canada. We are building a great nation, and this can be done only by all parts being willing to support those things they believe are good for the country as a whole. This cannot be

done by listening to sectional appeals, and to those who say, "We are against this, because it does not put anything in the pockets of our people; however, we are prepared to do this other thing because it does put money in the pockets of our people." Do that, if you wish, but do not go out and misrepresent your vote in the country.

Mr. Ellis: People in glass houses.

Mr. Tucker: The hon. member for Regina City (Mr. Ellis) has referred to people in glass houses. I absolutely defy him to show any time in my political life that I have misrepresented a vote either in the House of Commons or in the legislature.

Mr. Nicholson: What about family allowances?

Mr. Tucker: If we cannot sit in the House of Commons as members who have been elected as honourable and honest men, then I for one would rather stay at home.

I make no apology for voting against this amendment. I do not blame the hon. member for Prince Albert for having moved it, because that is his job as a member of the opposition. It is one of his duties to focus attention on such matters. But, having had some part in the formation of Liberal policy, having played some part at national conventions and council meetings to have things written into the program of that party, I am convinced that I have a duty to perform if I believe that certain things we have decided on should be done. If I can convince my fellow Liberal members that something further should be done, well and good. It can be done most quickly in that way, for then I believe that as a party we will proceed to do it, instead of acting as splinter groups. I realize one could be elected more easily in his own constituency by taking some other course.

However, I believe one has to work in co-operation with others to make any headway in this world. Surely in Canada we must be prepared to work with our fellow citizens from other parts of Canada.

An attack was made upon the Prime Minister. I would like to say just a word about that.

Mr. Ellis: A pretty touchy subject.

Mr. Tucker: It is not touchy at all, I may tell the hon. member for Regina City, for the Prime Minister is a man who has been endorsed by the people of Canada by overwhelming majorities both in 1949 and 1953, and he needs no apology from me.

Mr. Ellis: But he is getting it.

Mr. Tucker: No, he is getting no apology. I am just dealing with the silly attack made by the hon. member for Assiniboia (Mr. Argue) against that great man, the Prime Minister. I believe the Prime Minister received that great endorsation because the people of Canada know he is a great and broad-minded Canadian who will treat all parts of Canada fairly, whether they be the maritimes, Quebec, Ontario, the prairies or British Columbia. That is why he was so endorsed.

The Prime Minister's attitude in regard to this question concerning which the amendment is moved was that he is not yet convinced that the time has come to recommend immediately going ahead with the project.

I am satisfied that if we in the Liberal party intend to regard ourselves as a great national party we should be ready to support things which concern other parts of the country, and which perhaps are of no particular concern to us personally. Then if we have a good case we can go to the Prime Minister and his advisers with it. If we are to be a national party with a national policy we must be fair to all, and on this basis the time will come when a proposition such as this will be accepted.

I think the results would be much better and quicker; I think there is more hope in a policy like that than to take the attitude that we believe in the Liberal party, that we believe in the Liberal program, but should something come up which does not go at once every inch as far as we would like it to go, then we will vote against it. For example, there was the recent great disaster in western Canada, in Saskatchewan in particular, from flooding. Our provincial representatives are here today asking for help because they consider they are part of Canada. In all these matters there should be a national approach, not a narrow provincial approach.

It is on that basis that we can hope to appeal to our fellow Canadians to give us a fair deal in all things. One of the reasons I am happy at all times to support the Prime Minister is that I have implicit faith in his sincere desire as a fair-minded and great Canadian to be fair to all parts of Canada.

I am ready to show that I have faith in him, and I am not ready to withdraw that faith in connection with any individual item as long as he gives the leadership he has given to our country in the last seven years, when it has gone ahead by leaps and bounds. We have prospered and other parts of the country have prospered. A policy has been

followed in some cases of opposing things which Ontario and Quebec would have liked, but in the interests of Canada as a whole it was felt the steps should not be taken.

The defeat of the government at this time would endanger the budget, with its reduction in taxes. It would endanger the governmental attitude toward tariffs. There is pressure for tariff protection from different parts of the country to help the unemployment situation in those areas, but that pressure has been resisted for the good of all Canada. What kind of a westerner would I be if I turned against a government which has taken a stand on things like that?

Then there are the fiscal agreements. I wonder what Saskatchewan would do without those fiscal agreements, if they were not maintained in force. There are people in Canada today who take a narrow regional attitude, and who would be ready to do away with these fiscal agreements under which we as a province get, without collecting a bit of taxation ourselves, a total of $26 million. To raise that amount of money we would have to put oppressive taxation on our people. Am I to vote on a regional basis and endanger such things as these? Tomorrow someone might ask why they should pay taxes for the people in Saskatchewan, and where would we in Saskatchewan be without these agreements? I have no compunction in saying that under our system of government I support the government. I am proud to support the government which has stood against pressures to increase tariffs and do away with these fiscal agreements.

The hon. member who made this attack on the Prime Minister has indicated that the Prime Minister placed obstacles in the way of progress. What did he mention? He mentioned health insurance and unemployment. As to unemployment, the Liberal party has put forward in its budget and its expanding trade policy measures which have brought about less unemployment than there would be under any other system. Then the Prime Minister has taken the attitude—

Mr. Harkness: How about getting back to the dam?

Mr. Tucker: I am dealing with the question involved in this amendment which is a lack of confidence in the government.

Mr. Harkness: No, it is the dam; we want to hear about the dam.

Mr. Tucker: Apparently the hon. member has not been listening to my remarks. I am showing why I do not propose to support this amendment, and for the moment I am dealing with unemployment. I was about to go on to say that the proposition put forward by the Prime Minister was a definite step forward in dealing with this problem. He said that you cannot separate the unemployables from the employables and begin to batter these people back and forth. He made the suggestion that they should all be dealt with in a proper way, with Canadians sharing the burden on a fair basis as among the dominion, the provinces and the municipalities. In my opinion that is a definite and humanitarian step forward.

That is what the Prime Minister suggested, and then the hon. member for Assiniboia actually had the colossal nerve to say that a forward and humanitarian step like this indicates that the Prime Minister is not in favour of progress.

Then there is the question of health insurance. What is the attitude there? It is that the provinces must agree in this matter because it is under provincial jurisdiction. My hon. friends opposite get very impatient with that argument but the fact that they are impatient with that argument is the reason they will never get into power in Canada.

Some hon. Members: Oh, oh.

Mr. Tucker: I have more proof of the decline of the C.C.F. than my hon. friends have. If you take the attitude that the provinces are to be overridden, that their voices are not to be listened to in any way in connection with matters within their jurisdiction, then that is bound to happen. Most people in this country believe in our federal system of government. They believe in the basis upon which we were established as a nation, so much so that they will not support a party that is ready to ignore the provinces in that way. The only way we will make progress is by persuading people in all parts of Canada that progress is necessary and desirable.

I well remember the attitude of our former leader in regard to old age pensions. He took the attitude—

The Acting Speaker (Mr. Applewhaite): I hesitate to interrupt any hon. member. In my opinion the hon. member who has the floor is perfectly within his rights in listing what he regards as the possible consequences of the passage of this amendment, and using those as reasons for voting against the amendment. But I do not think the hon. member is keeping within the spirit of the rule dealing with discussion before the house goes into committee of supply if he develops in detail the various consequences which he thinks will follow upon the passage of this motion of non-confidence. I am not suggesting that the hon. member has been out of order up to the present in listing the possible

consequences of the passage of this amendment, but I do suggest that he is coming dangerously near being out of order in going into these points at length.

Mr. Tucker: Mr. Speaker, I bow to your ruling. There are just two other points I wish to make. I said something about being satisfied and proud to support the Liberal party. I took some part in the convention of 1948. I was on the resolutions committee, and we spent four days working out the resolutions. If anyone will examine what this government has done in carrying out the resolutions passed at that convention, they will find that the government has carried out substantially every one of them.

So far as I am concerned, this is the only party that does make this national appeal. I had some part in getting some of those resolutions adopted. I feel that if anyone who belongs to the Liberal party can get a resolution adopted by the Liberal party they are really accomplishing something worth while, because the Liberal party is a national party and they are getting those things adopted as part of the program of the governing party. So I have no hesitation in saying on this particular matter that I feel it my duty, as a person who believes that the Liberal policy has been good for Canada as a whole, certainly good as a whole for western Canada, to vote to maintain the government in office. In regard to the dam, I would say this.

Mr. Harkness: You are back to that.

Mr. Tucker: I am dealing with the amendment of my hon. friend.

Mr. Harkness: Good.

Mr. Tucker: I was going to say with regard to the question of the dam that I am very much in favour of it, and I hope that in the not too distant future the government will decide to go ahead with the dam. But I do point out to my hon. friend opposite, in the first place, that if the C.C.F. government had not got a report from Professor Cass-Beggs which threw doubt upon the feasibility of the dam on the ground that electricity could be generated more cheaply from the use of natural gas and perhaps later from atomic energy; if they had not sent forward that report to the federal government and left it with them without any suggestion that they disagreed with it, I doubt very much that a royal commission would ever have been appointed, and I think the dam would have been under construction at the present time. The C.C.F. government employed Cass-Beggs and then sent forward that report without any comments whatever, certainly not indicating that they disagreed with it until months later.

It ill behooves the members of that party, the ones who really threw the monkey wrench into this proposition, to make as much fuss about it as they have. I was asked on the floor of the legislature whether I objected to Cass-Beggs expressing these honest opinions of his about the dam, if it were true that this was worth only as much from the standpoint of development as he thought it was; whether it was the right thing that they should send it forward. I admit that it was the right thing to send it forward. But they are the authors of that step. That is one of the things that must be borne in mind by every member from Saskatchewan.

The provincial government is proposing to spend over $70 million on the project. Personally I hope the day will come when a dam will be built without any such colossal expenditure like that by the provincial government. If the provincial government were to use that money in draining northern areas, building roads into that great mineral-bearing part of the province, and otherwise opening up that area, $70 million would enable a considerable amount of work to be done in generally opening up our province. When the time comes to go ahead with this project I hope some sort of arrangement can be worked out whereby the province of Saskatchewan, with its limited financial resources, will not have to pay $70 million odd into it, that it will be a national project in much larger measure than is suggested today by the premier of Saskatchewan.

I am looking at this question as a member from Saskatchewan; thinking what a load of debt such an expenditure could put on the people of our province—less than a million people—and what must be done in regard to building roads and opening up our great north country. We have the same type of north country as have northern Quebec and northern Ontario. We cannot afford to overspend a single dollar. My hope is that when the time comes to build this proposed dam it will be done as a national proposition, without the province of Saskatchewan being asked to invest any more than half of the amount proposed at the present time.

So, Mr. Speaker, without any hesitation I say I am very pleased to show that I have confidence in the government by voting against this motion, the carrying of which would defeat the government and necessitate its resignation or a general election, which I do not think my constituents want, which I do not think Saskatchewan wants, and which I am sure Canada as a whole does not want.

South Saskatchewan River Project

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, I should like to comment very briefly on this motion. I intend to support the motion of the hon. member for Prince Albert. I intend to do so, first, because I think the dam would be beneficial to my constituency; second, because I think it would be good for my province; and third, because I think it would be good for the whole dominion of Canada.

I listened with a good deal of interest this afternoon to the arguments of the Minister of Agriculture and the hon. member for Rosthern. I must admit that the hon. member for Rosthern had considerable courage in saying what he did this afternoon, because in Saskatchewan it does take courage to vote against a motion of this kind. Nevertheless, I simply could not follow his reasoning. If this dam is good for the people of Saskatchewan and of Canada—and I think the member would agree that it is—I do not see how he can speak in favour of it on the one hand, and then the next moment vote against it.

Perhaps an argument can be made that the party system requires such a vote. But, as the hon. member for Prince Albert pointed out, even if our Saskatchewan Liberal members did vote for this project, the government would still have a majority of more than 100. So I cannot see that there would be any danger of the government being upset simply because those members supported the amendment. In Saskatchewan today this issue is not a political one. Everyone, whether he is a Liberal, a Conservative, a C.C.F.'er or a Social Crediter, favours the South Saskatchewan dam. I know the Minister of Agriculture favours it. I know that for years he has tried to sell the project to the government. I wish he had been a little more successful.

In the western United States today there is a very serious drought. In Colorado, Wyoming, Oklahoma and other states the dust is blowing daily. Every year for the last three years the drought area has crept further north. It is quite true that on the prairies today it is fairly wet, but we know that dry years may return.

Many members of this house are inclined to feel that the Saskatchewan river dam is just another handout for our province. I should like to impress on them that in my opinion it is not. The Prime Minister is doubtful as to whether or not it is economically feasible. I am absolutely convinced that this dam is economically feasible. It is a self-liquidating project that would pay for itself over a number of years.

An hon. Member: Time and time again.

[Mr. Tucker.]

Mr. Thatcher: During the depression we paid out millions of dollars in relief funds. Much of this expenditure could be avoided, if another depression came, by having this dam in the middle of the dust area. It would provide a basis for new industries, canneries and the like. It would provide hydroelectric power. The dam would enable many more people to live in Saskatchewan. It would provide new crops and give stability to the livestock industry. I repeat that this irrigation project is not a handout to Saskatchewan. It is a scheme which is sensible, feasible and desirable.

I am sometimes surprised when I realize that countries like Israel, Egypt, India and some of the so-called backward nations in this world can do so much in the way of irrigation, yet a modern prosperous country like Canada lets huge quantities of water run right through the dust bowl into Hudson bay. Over a period of years I suppose this project might cost the people of Canada about $10 million annually, or even about $12 million a year. But the return would be fabulous as compared with the original investment.

To you, Mr. Speaker, and to the house I suggest that this dam could be the making of Saskatchewan. I hope that all members, regardless of their party, will give it the consideration it deserves.

Mr. Claude Ellis (Regina City): Mr. Speaker, this afternoon we have heard a number of speeches which I thought were quite interesting, to say the least. The Minister of Agriculture spent some time in lecturing hon. members about playing politics with the South Saskatchewan river dam. I wondered just who started this political football. After all, the manner in which this subject has been treated by the government would indicate that that is what they consider it to be. It was started by the Minister of Agriculture himself. He has stated on more than one occasion that he was the first even to mention the project. Certainly from a political standpoint the Minister of Agriculture has used the South Saskatchewan river dam in every election since 1945. He mentioned the year 1946, but I can recall references to the dam being made in the 1945 election campaign.

Mr. Knight: And in 1944.

Mr. Ellis: The hon. member for Saskatoon informs me that they were talking about the dam in 1944.

Mr. Knight: Provincially.

Mr. Ellis: Suffice it to say that this matter has been brought to the attention of this country for a great number of years. With

respect to the original proposition, may I say that it was to be a federal undertaking. I was quite interested this afternoon to hear the hon. member for Rosthern make the rounds and complete the circle. He is now back to the position where he says the project should be a federal matter.

Mr. Tucker: Mr. Speaker, I rise on a question of privilege. I said that under the present proposal we were going to spend over $70 million in the province of Saskatchewan. I said it seemed to me that we should not be expected to spend, as the provincial share, more than half that amount.

Mr. Ellis: Taking the statement just made by the hon. member for Rosthern, Mr. Speaker, might I remind him that it was the federal government that first insisted on the province of Saskatchewan paying anything. Here is the amazing situation. The people of Saskatchewan had been led to believe that the federal government was going to undertake the construction of a dam on the South Saskatchewan river. No one in Saskatchewan had any idea whatsoever that the provincial government was going to be asked to play a part in the construction of the dam.

A few years later, after the federal officials had been pressed by various organizations in the province of Saskatchewan to do something about the dam, they turned around and said, "We are all set to go ahead on the dam, but we are waiting on the provincial government of Saskatchewan to tell us how much they are going to pay as their share of the cost".

If the hon. member for Rosthern is worried about the amount of money the people of Saskatchewan are going to have to pay in connection with the construction of this dam, I suggest that it was his own party and the Minister of Agriculture who first threw on the shoulders of the provincial government any financial responsibility whatever. The year 1949 was the first time the province of Saskatchewan were informed by the federal authorities that they were going to be called upon to pay a share of the cost of the dam.

The hon. member for Rosthern also made a number of other extremely interesting statements. At the outset he said he was not going to apologize for the way he was going to vote. He then proceeded to spend the rest of his time doing just that. However, we heard a speech which many of us have heard a good many times in the past. It was a speech on the grand old Liberal party and the great contribution it is making toward Canadian unity. Of course we in Saskatchewan have heard that type of address so many times that one can perhaps attribute some of the lack of success of Liberal candidates in that province to the playing of this record over and over again ad nauseam.

I noticed that the hon. member, until his closing remarks, made no statement in support of the dam. I should have thought he, as a member from Saskatchewan, would have availed himself of the time at his disposal in this debate to try to persuade hon. members of the importance of an immediate start on the construction of this dam.

Instead of doing that he indulged in something which I think is quite common among Liberals from our province. They rise in their places and rather intimidate members of the opposition. They make this suggestion: "You people should not say much about your own province because, after all, you have certain concessions"—as they would put it—"that you are in danger of losing unless you go along the line and accept our offer, whatever it might be". Mention was made of the P.F.A.A. and the suggestion was "You people from Saskatchewan should not say very much about this dam because you are getting some special privilege".

I want to remind the hon. member for Rosthern of the fact that we are Canadians, whether we come from Saskatchewan, Nova Scotia, British Columbia or any other province; and it is a little bit annoying at times to hear Saskatchewan Liberals get to their feet and suggest that we in Saskatchewan are a separate group and that we are existing by leave of the other provinces of Canada.

I suggest that we must consider the South Saskatchewan irrigation project as a national project. Because it happens to be located in the province of Saskatchewan is one reason we from Saskatchewan are more familiar with it than are others. In all sincerity I suggest to the members of this house that naturally members coming from a particular province are better acquainted than are others with particular projects in their own province. Hence it is only natural that when these matters are raised in the House of Commons it is going to be local people who draw them to the attention of other members of the house. Just because we do that is not to suggest that we consider the South Saskatchewan river dam project as something that is going to affect the province of Saskatchewan only.

Surely, Mr. Speaker, we must think as Canadians. We must get over the provincialism displayed here this afternoon by the hon. member for Rosthern. He did not call it provincialism; oh, no. He portrayed himself as the great champion of national unity. But by implication and in the very remarks he made he revealed himself as a provincially-minded member because, in

effect, what he said was this: "This project affects the people of Saskatchewan only; therefore if you do not mind your p's and q's we are not going to get it; the rest of Canada is not going to give it to us".

As was pointed out by the hon. member for Assiniboia, we have supported worthwhile projects in all parts of Canada. We have given our full support to the building of the St. Lawrence seaway. No member of this group has failed to give complete support to the building of the Canso causeway. All these projects are in the national interest, and as Canadians we support them. By the same token I suggest that the South Saskatchewan river dam project, although it is being built in the province of Saskatchewan, is of national importance. After all, the economic well-being of one province—and it does not matter which province it is—affects the economic life of the entire country.

The hon. member for Peace River mentioned some of the advantages that accrued to the southern part of Alberta as the result of irrigation projects. We in Saskatchewan are only too well aware of the fact that we are essentially a one-crop economy. That does not make for economic stability. Certainly the objective all of us should seek is to put the agricultural economy of the province on a sounder basis, and through diversification of agriculture make not only the economic lot of those farming in that area better but add to the economic well-being of people in all parts of Canada.

A number of other comments were made this afternoon by the hon. member for Rosthern, and I should like to make passing reference to one or two of them. He mentioned something about the Prime Minister, and said we in the house should not have the temerity to challenge his wisdom or logic. I suggest that no member is beyond criticism. Because a member happens to belong to the cabinet or be the prime minister I do not think he should therefore be absolved of all blame or free from all criticism.

I suggest that in recent years the Prime Minister has indicated on a number of occasions that he is a thoroughgoing conservative, with a small "c". I believe history will bear that out. Certainly in his attitude of late on a great number of questions he has revealed himself so conservative as to be termed reactionary. I am not going to go into that matter this afternoon, but I do suggest that the Prime Minister as leader of the government must accept the greater responsibility for government action or inaction, and in this case it is inaction.

The Liberals of Saskatchewan talk about their support for the dam, but they support a party, they support a government, they support a prime minister, all of whom have said "No" to the dam. Now they say they have to hew to the line and vote against the amendment because it involves want of confidence. Another hon. member has already mentioned that with the top-heavy majority enjoyed by the government, defections on the part of hon. members opposite certainly are not going to jeopardize the government. What is more, I suggest the Prime Minister has stated repeatedly that he is anxious to be convinced that this project is in the national interest.

How is he going to come to that conclusion? I suggest hon. members should be in a position where they could reveal to him what they think. Consequently I suggest to hon. members on the government side that this is their opportunity to say to the Prime Minister of Canada that they believe the dam should be built, and no amount of alibiing in advance on the part of Saskatchewan Liberals is going to cover up the fact that in this instance they are placing their party ahead of the South Saskatchewan river dam project.

I mentioned a few moments ago the strange twist of events that has taken place recently. In the initial instance the dam was to be a federal undertaking. Then, in order to get off the hook, the Minister of Agriculture suddenly confronted the province of Saskatchewan with the ultimatum that if they wished to see the dam built they would have to pay part of the cost. Now we have the spectacle of a supporter of the government suggesting that the province has agreed to pay too much. You cannot satisfy these people. In the first instance they complained because the province was not going to pay anything toward the project, and now they turn around and argue that the province has agreed to pay too much. I suggest if the province is offering to pay too much it is up to the hon. member for Rosthern and his colleagues to have a heart to heart talk with the Minister of Agriculture and the Prime Minister and convince them of that fact, if the building of the dam is in the realm of immediate possibility.

We have heard vague assurances that the dam is going to be built some time; that it is going to be built tomorrow. The old, trite saying that tomorrow never comes is applicable in this case. I suggest the government has had ample time to reveal whether or not it ever intends to proceed with the construction of the dam. Being removed from the provincial scene, one misses some of the politicking that is going on in the province. But I can recall that a few years ago the hon. member for Rosthern was leader of the

opposition in the legislature, and he made a great to-do about the Cass-Beggs report. He said they were all set to build the dam, and the Saskatchewan government had a report on power made by David Cass-Beggs which frightened the government into appointing a royal commission.

The royal commission was appointed in 1952, and it held hearings and made a report. Just to make absolutely certain that the commission's report would be what the government wanted, the government appointed as members of the commission Dr. T. H. Hogg of Toronto, a power man, Mr. G. A. Gaherty of Calgary, a power man, and the late Dr. John Widtsoe of Salt Lake City, the only irrigation expert on the royal commission, and the government got precisely what it asked for. It got a report confirming the fears expressed by the Prime Minister that perhaps the project was not in the national interest. Nevertheless the report, in the light of present-day conditions, is quite interesting. At page 29 there is a discussion of the immediate effects upon the economy, and I find there the following:

> With relatively full employment, no new physical assets can be created without diverting labour and other resources from their current employment. Society must then do without the production that is lost by this transfer and this represents the real cost to it of the project. When labour and other resources have no employment opportunities they can be utilized for the production of goods and services which thereby are secured without any real cost to the community. This is one aspect of the argument that the best time for heavy investment of public money is during a period of business recession.

Of course I am quite well aware that the government does not consider we are having a business recession. In spite of the efforts of members on the opposition side to convince them that over 600,000 unemployed in Canada represent a serious condition, they have tended to minimize at every turn the economic situation facing the people of the country at the present time. But I do want to refer to a suggestion put forward by one of the government supporters a few moments ago. He said we should not be too impatient, that we should be prepared to wait for this beneficent Liberal government, which has the interests of all Canada at heart—I should put that in quotation marks—to build the dam, and that if we wait long enough some day it will do so.

The suggestion is made that we should not complain because, after all, if federal funds were to be used in building the dam this would be a special concession or favour bestowed on us by a beneficent federal government. I want to suggest at the outset that the greater part of the money to be spent in the building of the dam will not be spent in the province of Saskatchewan at all. In the building of a dam of this magnitude a great portion of the cost will be represented by the buying of heavy machinery, and that machinery is going to be purchased in eastern Canada. It is going to be purchased in places other than the province of Saskatchewan.

As a matter of fact, estimates of as high as 75 per cent have been made of the leakage in projects of this kind. Only a quarter or perhaps less than a quarter of the money actually to be spent on the dam will be spent in the province of Saskatchewan. The bulk of the money will be spent in other parts of Canada, particularly in eastern Canada.

This brings out my point that the project is in the national interest. It will be built, if it ever is built under existing conditions of sharing the cost, largely by the provincial government. The hon. member for Rosthern has suggested that the provincial government has committed itself to spending $70 million toward the completion of the project. It is actually $78 million. According to the latest information the federal government would be called upon to spend about $62 million. This $62 million would be spread over a great number of years to create economic stability in a province that has long known crop failures and drought.

In spite of the fact that there is a great deal of water on the plains today, let us remember that the building of a dam is also a measure of flood control. Let us remember that within the past 10 years there have been times when feed has been imported into the province from Manitoba. We are faced with the problem of building up a measure of economic stability in a part of Canada which, after all, has a great effect on the entire dominion.

Perhaps I should say a word about the role of the Minister of Agriculture in this whole affair. The minister has told us he is in favour of the dam. He has been telling us that for a great number of years, and he still persists in telling us it is going to be built. I have no doubt the dam will be built, but I have serious doubts whether the Minister of Agriculture or any of his colleagues will be on the government benches when that is done. Certainly if we have waited this long to get any evidence of willingness to proceed with this project, then I think we are going to look in vain for any leadership from the Liberal party in this connection.

I do want to suggest that one or two conditions obtain in so far as the Minister of Agriculture is concerned. In the first instance,

if the minister did decide to really build the dam, or to look upon the promise to build the dam as more than just an election promise, then he has been guilty of deceiving the people of Saskatchewan over the past 10 or 11 years. If he really believed this dam would be proceeded with by this government, or had any reason to believe the government would listen to his suggestions, then I suggest his influence with the government is almost negligible. I suggest that, as a matter of protest if nothing else, he should have taken issue with his colleagues, realizing his status as a member of the cabinet.

We find a different situation obtains with respect to the hon. member for Swift Current-Maple Creek (Mr. Studer), the hon. member for Rosthern (Mr. Tucker) and the hon. member for Meadow Lake (Mr. Harrison). They are not ministers of this government, and certainly when this vote is taken there is nothing whatever to stop them from voting for this amendment. They say they would be voting non-confidence in the government. Earlier this afternoon the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out that on a previous occasion in this house the hon. member for Rosthern voted for an amendment of this kind. The adoption of that amendment did not involve the defeat of the government. If these members feel that way, then I suggest the Prime Minister should say to the supporters of the government that on this issue there shall be a free vote; that he wants an expression of opinion on whether or not this project should be proceeded with. I believe that should be done; then the Liberals from Saskatchewan would have no valid ground for saying they must go along with the government on this particular issue.

Mr. Studer: Balderdash.

Mr. Ellis: The hon. member for Swift Current-Maple Creek is muttering in his beard again. I would prefer that he be intelligent, but he insists upon being asinine.

Mr. Studer: I do not want to follow your example.

Mr. Ellis: It is true that I and others have injected an element of politics into the discussion this afternoon. I suggest, however, this project has been made a political football by none other than the members who sit on your right, Mr. Speaker. From the outset the South Saskatchewan dam was promised to the people of Saskatchewan by the Liberal party. Now they find themselves in a position where many people are asking for some results. Just saying over and over again that you are in favour of doing something is a poor substitute for action.

[Mr. Ellis.]

I do want to suggest, Mr. Speaker, that the role of the Minister of Agriculture could be briefly summed up in this way. In the negotiations that have been carried on among the federal officials, the P.F.R.A. and the officials of the provincial government to bring about some measure of agreement which would facilitate the commencement of this project, the provincial negotiations have always been at a distinct disadvantage. While they were negotiating in good faith they never knew whether, as a result of all their negotiation, the federal government would pay any attention to them. It seems to me that if you are going to have negotiations you must have equity; you must have fairness, and you must have two parties willing to sit down and say if we can arrive at some mutually acceptable agreement we are honour bound to proceed under that agreement.

The situation has been that while Mr. Douglas and the members of his cabinet have been carrying on negotiations with the federal government, they were always aware of the fact that even if they were able to come to an agreement on every particular with the federal officials it still did not mean that the dam was going to be built. The provincial government stated in advance that they wanted this dam built. They wanted to meet with federal officials to bring about a solution satisfactory to both sides, and then they wanted an immediate start on the dam. The federal officials would come along and say, "Well, we will talk it over, but that does not mean we are going to build it if we do come to an agreement." Every time an agreement was reached the Minister of Agriculture would pop up with some new condition.

I am not going over the whole story, but at the outset there was some reference to the subsidization of power. Earlier there was a reference to the Cass-Beggs report, and there was a report which had to do with the power aspect of the project. No one can argue any longer that the question of power is an obstacle, under any circumstances, to an agreement between the federal and provincial government. I believe that matter has been taken care of. The statement was made, "We are not going to permit the subsidization of power in any province by the use of federal funds." In order to avoid that the provincial government agreed to pay the full cost of building a power station at the dam.

After that agreement had been reached we had every reason to believe that we were making some progress, but up popped the Minister of Agriculture with another condition. He said the province would have to

pay the cost of moving that water from the reservoir to the users of the water. The province agreed to that. They were going to bend over backward to do everything they possibly could to bring about an agreement which would be acceptable to the federal officials.

Then we were told we had to pay part of the cost of building the reservoir itself. When the hon. member for Rosthern complains that the province is paying too much, I ask him this. Who forced the province into the position of paying too much? I say it was his colleagues, the Minister of Agriculture, the Prime Minister and the Liberal government who forced the province into that position.

There is no use turning around and trying to blame the province, or suggesting they are being unwise and too extravagant in spending that much money, when the fact is that by progressive steps the Liberal government have forced the provincial government in Saskatchewan to commit itself to greater expenditures.

Well, we agreed to pay for part of the reservoir. We thought then we were going to make headway. Along came the Minister of Agriculture, reaching into his pocket and pulling out another document. "Now", he says, "what about the treasury bills?" There had been an agreement that the province might be permitted to pay part of its cost of construction in treasury bills, payable over a term of 20 years. The Minister of Agriculture came along and said, " We think we can sell this idea to the cabinet only if the province agrees to pay it all in cash every year". I am certain they felt virtually certain that the province would be unable to meet that exacting requirement.

Then—the latest—the Minister of Agriculture comes along and says, "What about penstocks?" Well, you cannot but wonder about it; every time you reach the point where the province may get something from the agreement, you find a new and exacting condition put forward. I suggest in all sincerity that these conditions have been put forward as part of deliberate policy on the part of this government, trying to force the government of Saskatchewan into a position where it would refuse to go further. And, if that had happened, the Liberal party would then go up and down the province saying, "Oh, we wanted to build this dam, but the provincial government stood in our way". In my judgment that is precisely the policy pursued by the Minister of Agriculture in the country and in the House of Commons.

Mr. Knight: And where does he stand in Saskatchewan today?

Mr. Ellis: The question has been asked as to where he stands in Saskatchewan today. Well, I do not wish to deal with that at length, but there are brandished knives in Saskatchewan among the Liberals who are fighting over a corpse.

I repeat that this whole matter of negotiation between the federal and provincial governments has been on the basis of leading the provincial government along to the point where, it was hoped, that government would go no farther. But, despite all these obstacles and roadblocks thrown in the way of the provincial government, it had been determined to go ahead with the dam. The premier of Saskatchewan repeatedly wrote to Ottawa requesting interviews with the Prime Minister, and saying that something should be done.

Last fall the premier of the province was very anxious to come to Ottawa to meet with the Prime Minister and the members of his cabinet. The Prime Minister showed the letter to the Minister of Agriculture, which was the most unfortunate thing that could have happened, because the Minister of Agriculture said, in effect, "Well, I will take care of that. That is all right. I am going out to Saskatchewan next week, and I will take care of it".

So he went out to Saskatchewan, and once again another of these obstacles was thrown before the provincial government which, by this time, was getting a little frustrated and annoyed. They insisted upon coming to terms, and finding out what was the score. Finally the premier of the province had the temerity to inform the Minister of Agriculture that the province of Saskatchewan wanted the Liberal government in Ottawa to say yes or no. Then the Minister of Agriculture turned around and said, "If that is the way you are going to do business, all right. Only last July you insisted upon our committing ourselves when we were not prepared to negotiate. You must know that the only way we can negotiate with you is to have you lay all your cards on the table, and then we will decide whether or not we are playing for keeps."

Well, we know that finally a meeting was held following the preliminary dominion-provincial conference. While I do not know for sure, I believe the Minister of Agriculture was present at that meeting. In any event the sum total of the meeting was a flat no, on the part of the Prime Minister. So, after all these years of promises, and after all this time, here is the situation. Liberal members have been going up and down the province of Saskatchewan making all sorts of promises. Finally, when the chips are down and the premier of Saskatchewan is face to face with

the Prime Minister of Canada, the Prime Minister said what I am certain Liberals must have know many years ago, that this government had no intention whatsoever of building that dam.

I just wish to conclude by reminding hon. members once again that this is not a provincial issue. The building of the South Saskatchewan dam is a national issue, just as is the building of the Canso causeway or the building of the St. Lawrence seaway project. It is something which will have great benefits for the people of Canada as a whole. It is time to build this country up; and when I think that in the province of Saskatchewan, where we have less than a million population, our province has enough faith in the future, enough faith in the building of the dam, that we are willing to put up $78 million, then I certainly think the government of Canada which, at this juncture, would have to put up $62 million, should come through and fulfil its promises, and commence construction of that dam.

I suggest that in voting on this amendment Liberals from Saskatchewan will be able to show their true colours. They will have their opportunity when the vote is taken to let the country know and to let their constituents know whether they are in favour of the dam to the point where they are prepared to put themselves on record to that effect. I challenge Liberal members from Saskatchewan to vote for this amendment.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, shortly before six o'clock the hon. member for Rosthern spent a good deal of time explaining that a vote for the amendment moved by the hon. member for Prince Albert would mean a vote against the government, and if the motion should carry the government would be defeated. The hon. member for Winnipeg North Centre interjected and asked the hon. member for Rosthern about his vote on August 27, 1946, when the milk subsidy was before parliament.

I would remind the house that on that occasion the hon. member for Rosthern voted for a similar amendment. The motion was carried but the government was not defeated, and the business of the house went on. I might mention that on that date I had the pleasure of presenting an amendment on the motion to go into supply, as follows:

> That all the words after the word "that" to the end of the question be left out and the following substituted therefor:
>
> "This house desires to record its opinion that consideration should be given to the continuance of the milk subsidy so as to ensure adequate return to milk producers and make possible the consumption of milk for the nutrition of the Canadian people without any further increase in the price thereof to the consumers."

The present Prime Minister was the acting prime minister on that occasion and he suggested after our case had been presented that I should withdraw the motion. However, my colleagues and I did not agree, and later the right hon. Minister of Trade and Commerce (Mr. Howe) asked that hon. members of the house have a free vote. He went on to say, as reported on page 5431 of *Hansard*:

> Therefore I should like to serve notice that if this vote carries the government will immediately move that the house go into committee of supply this day. I believe that that procedure is consistent with the rules, and if there can be general agreement on that point the work of the house can be facilitated and the objective of hon. members attained.

I appreciate the fact that on a number of occasions the Prime Minister has expressed the opinion that public funds for the construction of the South Saskatchewan dam should not be voted by parliament at this particular time. However, I am sure the Prime Minister could not have any objection to testing the opinion of parliament. I am of the opinion at the moment that a majority of the members of the house might agree with the Prime Minister. I think it was a pity this afternoon that the Minister of Agriculture and the hon. member for Rosthern did not take more time to point out the advantages to all Canada of having a project such as this proceeded with.

Mr. Gardiner: I shall do that on my estimates.

Mr. Nicholson: There is going to be a vote shortly, and I think it would have been desirable that hon. members of all parties have a chance to indicate whether they think the proposal of the hon. member for Prince Albert should be supported. I am sure the Minister of Agriculture would be in a much stronger position if he had a favourable vote, as we had when the milk subsidy was before this parliament.

I do not wish to become involved this evening in a political discussion with members across the way, but I do want to present some arguments in an effort to convince the house that this proposal is a desirable step in connection with the development of all Canada. We should not lose sight of the fact

that during the past 25 years we have had two problems which have become national in character, the problem of drought and the present problem of flooding.

I have here the telegraphic crop report for May 11, which is published by the Department of Trade and Commerce. This points out that the average rainfall in Manitoba for the period from April 1 was 2·07 inches as compared with the long-term average of 1·48. That indicates that this is not a serious problem in Manitoba as a whole, although there are a few sections where there has been a sharp increase.

In the case of Alberta the long-term average is 1·4 inches, whereas this year it has been 2·41. Again there is no serious problem, although a few isolated places in Alberta have rainfalls for this year two or three times the average for the rest of the province.

In the case of Saskatchewan the long-term average is 1·21 inches, compared with this year's amount of 3·86 inches. I have picked out a few communities in the northeastern section of the province which I have the honour to represent, and these figures will indicate the problem we have on our doorstep. These are the figures:

	Long-term average	This year
Leross	1·30	6·06
Yorkton	1·07	4·15
Dafoe	·89	6·08
Buchanan	1·10	4·03
Hudson Bay	1·16	3·86
Porcupine Plain	1·12	5·26
Melfort	1·10	5·79

I am sure that hon. members, regardless of where they sit, will not blame any government for the drought experience in the thirties or for the flooding we have had in northeastern Saskatchewan during the past several years. The secretary of a municipality in my constituency writes that the last good crop they had was in 1949, and since that time they have had a succession of floods or frosts or both. He states that as a result, the arrears of taxes which stood at $38,000 in 1949 increased to $51,000 in 1950, to $62,000 in 1951, to $68,000 in 1952, to $80,000 in 1953 and to $116,000 in 1954. This is a municipality with quite a small assessment. It is in an area where they have had a succession of very wet years. This has posed a most difficult problem for the people in that municipality.

I realize that the building of the South Saskatchewan dam is not going to solve the problem for all people in Saskatchewan, but I think the government must decide that a project similar to the Tennessee valley authority should be established in Saskatchewan so we can conserve the excessive moisture we have some years to make it available in the years of drought.

Experts in the various departments of government here do not wish to take responsibility for the sort of weather we have been having. I had a letter from one of my constituents who has been keeping careful weather records for over 50 years, and it is his considered opinion that the atomic and hydrogen bomb tests have been a factor in the most unusual weather we have been having. I might mention that such a well known authority as Dr. Ritchie Calder wrote in the *New Statesman, and Nation* a few months ago that up until a year ago the best experts laughed at the idea of these experiments having any effect on the weather. But now the best authorities are not so dogmatic. They concede that there might be some connection. My friend writes:

> Last year, marked atomic conditions were ameliorated after September 20. The conditions passed to drought (as they had in 1952) as the weeks went by. Winter did not close down at Sub Rosa, 2,000 feet above the sea level, until November 26, a month later than normal, and drought continued all winter and onwards.
> . . . the drought continued on into spring (which came at the abnormally early date, for the hills, of April 3.

Mr. Philpott: On a point of order, Mr. Speaker; this seems a long way from the South Saskatchewan dam.

Mr. Nicholson: It is not so very far, Mr. Speaker. My constituent has expressed the opinion—and it is not an isolated opinion—that the atomic and hydrogen bomb tests have had an effect on the weather. If the hon. member for Vancouver South, who is an authority on a great many subjects, will say definitely that they have not, I am sure some of the other well known scientists in the world will be glad to have his considered opinion.

Mr. Knowles: Put that in your column and smoke it.

Mr. Nicholson: A very serious problem is developing as a result of the excessive rainfall which I have mentioned, as recorded by the Department of Trade and Commerce in this bulletin on weather conditions in the prairie provinces. This publication suggests that there are areas which are having very heavy rainfalls each year. This poses a problem which is too great for the municipalities to deal with, and it is becoming a problem that is too great for the province.

I appreciate the fact that the Prime Minister and his cabinet are negotiating with cabinet ministers from Saskatchewan to

review this whole problem, but I believe we could not start too soon appropriating funds for a project such as the South Saskatchewan dam. The cost that has been mentioned probably sounds a good deal as compared with the projects we had a few years ago. But as compared with some of the projects we undertook during the war it seems a very modest amount. The Minister of Trade and Commerce embarked on the construction of the Polymer project at Sarnia when we lost our supplies of natural rubber. This project required an investment of over $50 million, with no guarantee that the completed project would meet our requirement. The Shipshaw project was also undertaken. These did not place any great strain on the Canadian economy.

I submit that the construction of the South Saskatchewan river dam, as a beginning to conserve moisture and make water available in areas where they have had recurring droughts, is a step that must be taken. Consider the large expenditures we are able to make in the field of defence. The hon. member for Churchill (Mr. Weaver) was good enough to take about 40 of his colleagues to the north of his constituency a short time ago, and they were greatly impressed by the achievements in that north country.

These expenditures are made in the public interest. We were all greatly impressed by those large planes that were being used to transport heavy equipment to the north. We were told that the heavy Caterpillars could travel under their own power into the bowels of one of these big machines. They told us that the machines weighed 50 tons empty, and could take off with a load of 50 tons without any trouble. The machine empty represented an investment of a little less than $3 million. I realize that the Canadian government has not made the investment, but we are participating in the use of these very large machines.

When one considers the importance of the dam to our whole economy, and particularly to people in the area that would be served by it, I think it is only reasonable that we should test public opinion in this parliament tonight. I think the Prime Minister will agree tonight, as he did in 1946, that members regardless of where they sit, should stand up and indicate whether or not they think the building of this dam would be serving the best interests of Canada. We should not lose sight of the fact that if we are not prepared to conserve our land and water resources and use them in the best interests of all the people of Canada and all the people of the world, we cannot forever look forward to holding this vast territory.

[Mr. Nicholson.]

I would remind the house that the Euphrates valley at one time supported a population of over 20 million people. Now only 2¼ million people live there, illiterate, ill-clothed, ill-fed, diseased peasants, who eke out a wretched existence. They did not have the advantage of all the information that we have available. As the hon. member for Prince Albert has suggested, I believe we should immediately start on the construction of this one project in an area in Canada which has produced great quantities of food for the country, an area that is vital to the continued prosperity of Canada as a whole.

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I think the discussion of this particular subject is very timely when we consider the state of affairs in western Canada. People are certainly frustrated by the apathy of this government in not going ahead with the construction of the South Saskatchewan river dam. I do not believe I could think of one other proposal that has been used to greater advantage as a political football by the Liberals, with the possible exception of the Hudson Bay railway, than this proposal of the South Saskatchewan river dam.

At present the situation in western Canada is the result of a combination of factors. I do not believe we are going to find a solution to this problem unless we are prepared to undertake some kind of flood control. I do not believe the topography of the land in Saskatchewan is able to handle such severe conditions of flooding as we have had during the past few years. I do not believe the river channels and watercourses are able to cope with that flooding. I believe we have to undertake as a dominion project some sort of over-all water conservation policy in this region.

I should like to go even further. I suggest that possibly we should give some consideration to a scheme of diverting acreage. If a farmer had a few acres of land on his farm that was eroding very badly the government should make some concession for that land if he took it out of production and planted it to grass, for instance, or if he did a little drainage work, and took those acres out of production. I think it would go a long way toward the over-all water conservation program we must have in this country if we are going to solve the problem with which we will be confronted in the future.

So I say the problem with which we are faced is a climax to a condition which has come about over the past few years. Certainly the leader of the Social Credit party this afternoon expressed what a great many of us feel, I suppose, that we have so much water we do not know what to do with it,

and we do not like to hear the word mentioned. That is true. But when we examine this proposition of water control, I think that in itself will help to remedy this flooding condition with which we are confronted. I believe the dam would be one of the keys to this over-all water conservation program of which I spoke.

I will not say I was annoyed, but I was a little bit concerned this afternoon when the Minister of Agriculture stated that the dam had not been known as such prior to 1946, or words to that effect. Since I have been in this house I have been amazed, on every occasion this subject has been discussed, to hear members of the government and other hon. members opposite go out of their way to try to convince not only other members of the Liberal party but Canadians in general that we in Saskatchewan, because we are clamouring for this dam, have some selfish motive, or some motive that is not in the interests of the rest of Canada.

I am sure we must all agree that if we could build the dam it would not only be of the greatest assistance in controlling water in Saskatchewan, but would help immeasurably in controlling the flow of water in the province of Manitoba. When we take these factors into consideration, to say nothing of the proposal that was put forward this afternoon by the hon. member for Regina City and by other members on this side of the house at various times, as to the public investment program that such a proposition would initiate, I think it is something that should be given the greatest consideration when we are speaking about building the dam as being in the national interest.

I should like to place on record one or two statements that have been made. As I said a moment ago, it is not only the Minister of Agriculture who has used this issue. He said this afternoon that he wanted to see the dam built. May I say that I am in complete agreement with that statement. It seems to me that not only the minister but every other Liberal from the province of Saskatchewan has used this issue whenever he felt it was politically advantageous to do so. I should like to place on record one or two quotations which I believe justify that assertion.

First of all, even back in 1945 the Minister of Agriculture, while speaking to a meeting at Southey, had this to say:

> Southey, Sask. Agriculture minister Gardiner told an election meeting last night that plans are ready for starting prairie farm rehabilitation projects costing $30 million.
>
> This work for irrigation could be started as soon as the need for employment arose after the war. In addition the minister told of a large program for which the plans were only partly drawn, costing $110 million in Alberta, Saskatchewan and Manitoba. It would involve a dam on the Saskatchewan river near Outlook, Saskatchewan.

That was one of the statements made. I am sure all the provocative statements have been made by Liberals themselves. Those of us in Saskatchewan cannot be accused of going out and making the only provocative statements that have been made in this connection.

Again I should like to quote Mr. Charles Henderson, then Liberal member of parliament, speaking at Kindersley on May 18, 1945. Among other things he stated as follows:

> . . . that he had secured assurances that $111 million would be available for the proposed scheme.

He was speaking of the South Saskatchewan river dam.

Mr. Gardiner: Mr. Speaker, I rise on a question of privilege. Neither one of those statements was with regard to the South Saskatchewan river dam alone. They were with regard to all the large projects. More than half of the projects are already completed.

Mr. Bryson: This quotation of which I am speaking definitely had reference to the South Saskatchewan river dam.

Mr. Gardiner: I was speaking about the $110 million proposal which, as was pointed out in the previous quotation, was for all the projects.

Mr. Bryson: That is true, but the dam was to be included in that expenditure. Then Mr. J. Gordon Ross, then member for Moose Jaw, speaking at Chaplin on May 23, 1946, in preparation for the Morse by-election, had this to say, speaking of this expenditure:

> . . . and a start will be made as soon as men and equipment are available.

He was referring to the South Saskatchewan irrigation scheme. Then on October 20, 1948, the Minister of Agriculture, speaking about the dam at Allan, Saskatchewan, and this to say:

> Most of the money would be provided by the federal government because it could not be expected that Saskatchewan, subject to drought, could carry the load of such a capital expenditure.

Then we have the statement made by the hon. member for Rosthern in support of Mr. Boucher. He advocated the election of Mr. Boucher if the people of Saskatchewan wanted to get the dam built.

> He added, "You certainly won't get anywhere by sending C.C.F'ers to Ottawa—

Some hon. Members: Hear, hear.

Mr. Bryson: That is all right. But where are these great champions of the dam today?

An hon. Member: Right here.

Mr. Bryson: Then there are other statements by the Minister of Agriculture. They go on and on. I am not going to read from them any further, but I wanted to put on the record some of the very provocative statements that have been made from time to time, as I say, whenever the Liberals thought it was politically advantageous to do so.

Besides the value of the dam as a water conservation measure, and besides its importance as a power and irrigation project, I think one of the things we must bear in mind is that in the Carrot river triangle there is in the neighbourhood of—and I shall be conservative—750,000 acres of land which could be utilized provided it was drained; and it will never be settled until complete drainage is carried out. That situation can come about only when we have on the South Saskatchewan river the control that would be provided if we had the dam there. I therefore say that power and irrigation are only part of the great advantages that would be gained from that proposition.

I think there are a great many aspects of this matter of flooding in Saskatchewan that should be brought to the attention of the Minister of Agriculture as well as to other members of the house. Over the last few days I have had a great many letters from farmers who have grain stored in bins out in the field. Because of the flooding, great loss is going to take place in connection with that grain. These farmers are not able to haul their grain. They cannot get it out. To start with, there is no room in the elevators. The roads are impassable. That grain is going to be a complete loss in many cases. I think that is a deplorable situation.

As was pointed out this afternoon in connection with the unemployment question, the money spent in building this dam would be of the greatest importance to the over-all economy of this country. The fact that 75 per cent of the money spent on the turbines and all other materials that would be used in the construction would accrue to other parts of Canada should be given some weight when this question is being considered in the light of how it is going to affect the over-all economy of the country.

This afternoon somebody asked, what has this to do with the over-all economy? How would this be beneficial in the national interest? I should like to point out, as I have on previous occasions, that we in western Canada have supported the seaway, though I do not think too many of our farmers are completely taken in by the promises of what is going to accrue to them when the seaway is completed. I think it has been overexaggerated. In my opinion a great many people believe that in all probability freight rates in western Canada will increase when the seaway is completed. They are going to increase for the very simple reason that in all likelihood freight revenues in eastern Canada are going to decline. The railways will have to be subsidized, and the only place that is going to be done is at the expense of the western farmers. Nevertheless I believe there are very few farmers who are not in complete agreement with the seaway project.

Therefore I think we should look at these things in the light of the national interest. This afternoon reference was made to the proposition made years ago. I am not going to elaborate further, because the matter was well covered this afternoon by one or two other speakers. I should merely like to say that first of all the dam was to be built as a wholly federal project. Then Saskatchewan agreed to pay $33 million toward the project. Then we were asked and agreed to pay as high as $45 million. The next figure was $65 million and now it is $78 million, but we are no closer to getting the dam now than we were before. As a matter of fact the people of Saskatchewan feel they have been betrayed and led down the "Gardiner" path.

Mr. Gardiner: Since my hon. friend has brought my name into it, as a matter of privilege I wish to say that we have never asked the Saskatchewan government to pay $78 million toward the South Saskatchewan river dam at any time.

An hon. Member: That is because you will not agree to build it.

Mr. Bryson: The minister said this afternoon the Liberals would build the dam, so we are back now exactly where we were when the proposition was first talked about. I should like to emphasize that I believe now is the time we should give the greatest consideration to an over-all national policy of water conservation. I think the South Saskatchewan dam is the key to that over-all policy. There are other projects which I am sure would be just as important, but I think it is important that we get away from this narrowness, this provincialism, when we are speaking about the South Saskatchewan river dam. In my opinion it should be part and parcel of an over-all program if we are to have any degree of flood control in western Canada.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I rise at this time particularly to point out that the position this party has taken on the numerous occasions we have raised this question has emphasized the fact that this is not something exclusively of concern to the province of Saskatchewan. This is not merely a matter of debate between the Minister of Agriculture on the one hand and those from Saskatchewan in different parties on the other. The remark by the previous speaker with regard to provincialism would certainly not apply, and I am not suggesting he intended it to apply, to the position we have taken with respect to the matter since it has been first discussed. There is just a little tendency to carry on the debate as though this were something Saskatchewan was seeking to obtain from the government through the kind offices of the Minister of Agriculture, who happens to come from that province.

I am not going to repeat in detail the speeches I have made previously on this very subject. It happens to be a subject with which I have had certain personal acquaintance over many years. I can recall that for a great many years it has been one of the projects that has arrested the attention of those who believe that by the combined action of the governments of this country we should develop these great undeveloped resources, particularly where there is a strong humanitarian demand. I doubt if, from the humanitarian point of view, there is a single project now awaiting development in Canada that compares in importance with the development of the South Saskatchewan dam.

I am convinced this is a practical project. Certainly the evidence is there from engineers whose skill, competence and judgment would not be questioned by the Minister of Agriculture, because they are holding their offices as the result of his approval. Engineers of his own department have examined the project, have reported that it is practical, and have stated that it should proceed.

To those who are not acquainted with this matter the question might naturally arise as to why, with that recommendation before them, the government do not see fit to act. It may be well for those who may not have followed the matter to recall the rather strange arguments put forward by the government from time to time with regard to royal commissions. When we have asked that the government do what any big business would do and appoint a royal commission to examine the over-all organization of government and the efficiency of government administration from the ordinary departmental administrative point of view, we have been told that this would be a denial of the responsibility of government. But we have seen just recently that the government proposes to set up a commission on the general economy of Canada. They have already named the chairman of the commission.

In the present case, because it is convenient to them, it is not a denial of responsibility. In the particular case under discussion they had the recommendation of qualified engineers who worked on the spot, carried out their tests right near the Coteau creek site, and after careful examination and research found that the project could be developed economically and in a practical way. But then the government, which is so very anxious about royal commissions which might impinge upon their responsibility, decided that it had a way out, and so it would not have to act on the advice of the engineers under the Minister of Agriculture, who obviously have his approval because they are still employed, the government appointed a royal commission to act as a burial squad. That is what it has been, nothing else.

They did not appoint a royal commission at the time they proceeded with the St. Lawrence seaway development and joined in that great co-ordinated enterprise which involves many times the expenditure that would be involved in the South Saskatchewan dam. They relied on their own engineers, men who were similarly responsible to a department of government, men who also carried out their duties, just as the engineers answerable to the Minister of Agriculture did. Why did they need a royal commission for a much smaller enterprise, though it is an enterprise of immense importance to the people of Saskatchewan? They did so for no other reason than to find an excuse for delay; that was the only reason. They had the engineers' report, just as they had the reports on the St. Lawrence development.

In this case we should not become too much involved in the details as between the power and irrigation. We know there is an estimate of the development of a minimum of 150,000 horsepower. We know part of that power will be required for the pumping machines which will be necessary to carry out the great irrigation project which will make one of the most arable areas in Saskatchewan in the neighbourhood of Outlook. There is no uncertainty as to what the soil is going to be like once the irrigation goes through. Those who have visited the experimental development near Outlook have seen some of the richest soil anywhere in the prairie provinces, through the simple device

of irrigation carried out for the one purpose of determining what the result would be of going ahead with this development. There is, therefore, no uncertainty.

As a matter of fact there was no uncertainty in the mind of the minister last year, because on June 10 the Minister of Agriculture was reported in the Regina *Leader-Post* as saying this. I ask hon. members on the other side as well as on this—perhaps on the other side more than on this, because we know we must convince them if there is any chance of a favourable vote on this important motion—to listen to what the minister said last year:

> We have been doing all right at clearing obstruction out of the way. There were four when we started discussions and there is now only the one left—the question of power development costs—

Well, that simplifies it. All they need to know is the question of power development costs. They have the engineers. They have the reports. They know what can be done. I am convinced that the people in the rest of Canada want this project carried out and are prepared to provide from the common funds of the Dominion of Canada whatever is appropriately required under agreement with Saskatchewan to carry out this vitally important project.

This is not a provincial matter. This is one of those developments that will have its impact upon the whole of Canada. It is not only the people of Saskatchewan who have reason for great concern that today, in this country which has seen such remarkable developments within the last few years, there is within that part of the Palliser triangle near the area that would be served by the water and the power produced in this way as desolate a scene as we are likely to see anywhere in Canada.

Not long ago in New York I saw a collection of photographs that I would commend to anyone who happens to find his way there. It is a collection from all over the world, and can be seen in the new art gallery in New York. One of the pictures that struck me very forcibly was a picture of three dejected looking children leaning on a fence. There was a scene of dust, dryness and desolation behind them, and up on a hill in the central background was a none too attractive house. As I looked at the picture I was under the impression that it was probably a picture from the dust bowl in the United States. I then saw it was from Canada, from this very area that would be served by this development. Churches have been abandoned; schools have been abandoned; homes have been abandoned in an area with soil that would produce crops as good as could be found anywhere on the prairies if this project were undertaken.

I am not suggesting that the government make capital expenditures recklessly. Nevertheless the human equation is an important factor in this matter. The simple decision to proceed with this, not just repeated assurances that we are getting further along the road toward removing the obstructions, would have a tremendous effect on people who see little opportunity of return for their early work, if they are still on the farm, and who see little prospect for their children on that land.

Now, Mr. Speaker, the evidence is there that this can be done. The evidence is there that the project would have a profound effect upon that whole area. The 150,000 horsepower is not by any manner of means the figure that should be in the minds of the members of this house in asking for a decision on this subject, a subject which has been bandied back and forth for years, which has been one of continuing promise by the minister and of continuing evasion by the government.

If we believe in the system of government responsibility, then it is time the minister did not suggest he could go out and make one statement independently of the government without being in the position that he should resign if the government fails to back him up on any undertaking on which his promise had been based. It is one or the other. Either he has been making statements recklessly, without due regard to his responsibility to the government, or he had some reason to believe the government would back him up. It is one or the other. It is time he took appropriate action to indicate whether he talked without responsibility or whether the government failed in their responsibility to him. This would clear the air and let us know exactly where the responsibility does lie.

Let us realize when we are talking about this subject that we would have here not merely the 150,000 horsepower—part of which would be needed for the irrigation but a substantial part of which would be available for homes in the area and for agricultural machinery—but we would also have the core of a great grid system which could be multiplied several times. Each of us knows that if you have a sure source of constant power you can multiply that immensely by supplementary steam power or diesel power and still keep an economic level of power costs.

The time has come when the minister should clear the air. May I repeat that on June 10 last the minister had this to say:

> We have been doing all right at clearing obstruction out of the way. There were four when we started discussions and there is now only the one left—the question of power development costs—

Mr. Speaker, as a member of this house from another part of Canada, and as one who believes this is not merely something of concern to Saskatchewan but something by which every Canadian wants to see Saskatchewan given the opportunity it should have to restore this great heartland to the province, I urge the government to act.

May I point out to hon. members opposite that a motion has been brought forward which gives them an opportunity to say to the government what they want done. If any member believes this project should proceed, then he has no right to vote against this amendment. If they believe it should be done, then let them vote for this amendment. I would suggest that the Minister of Agriculture, with the consent of the Prime Minister who sits beside him, might indicate something that can be done. That is that there be a free vote; that this be not regarded as a test of confidence, if that in any way could embarrass the government, but that he seek the support which he surely should ask in view of the unqualified promises he has made in the past. This would give everybody on his own side who wishes to see this project proceed a chance to vote without injury to his future relationship to the government.

We have been told by the Prime Minister on other occasions that ministers, and presumably members, can act according to their conscience. Let them act according to their conscience on this occasion. Let everybody here provide an encouraging and striking demonstration that there is no provincialism in this, but that members throughout this house from the Atlantic to the Pacific want something done in Saskatchewan which will be of immense value to that province and to the whole of Canada.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise not only to join with my colleagues in supporting the amendment moved by the hon. member for Prince Albert, but also to support the appeal just made by the Leader of the Opposition (Mr. Drew) that the government permit a free vote on this question.

I have been rereading *Hansard* this afternoon to confirm my memory on the point that two years ago we had an amendment similar to this, moved by the same hon. gentleman who now represents the constituency of Prince Albert. That amendment was moved in February and was debated for several days, finally being voted upon on February 10, 1953, as recorded at pages 1813 and 1814 of *Hansard*.

During the discussion of that amendment which, though in slightly different language, was the same as the one now before us in that it called for the construction of the South Saskatchewan river dam and irrigation project, one of the chief arguments put forward by the Minister of Agriculture and by others on the Liberal side of the house against voting for the amendment was that it was a motion of non-confidence. The Minister of Agriculture used almost the same language as he used this afternoon, when he looked in my direction and said I should know that an amendment of this kind is a motion of non-confidence, and that therefore those who support the government have to vote against it.

Now, I am sure those who were here at that time will not ask me to read the record to substantiate what I am now saying took place in February of 1953, because the Minister of Agriculture, the Prime Minister, and others who were here at that time will remember what happened then as well as I do. As I say, the result was that the amendment of the then member for Lake Centre, the present member for Prince Albert, was defeated. That, as I say, was on February 10, 1953, and is recorded in volume II of *Hansard* for that session.

I now turn to volume V of *Hansard* for that same session, and I would remind hon. members who were here that there was another motion to go into supply moved on May 6 of that year. On that occasion another member of the Progressive Conservative party, the hon. member for Eglinton (Mr. Fleming), moved an amendment, one of those supposed amendments of non-confidence. Again it was moved as an amendment to the motion to go into supply. While on a different subject, procedurally it was exactly the same kind of amendment as the one moved in February concerning the dam.

Perhaps I should put the text of the second amendment on record so we will know what we are talking about. It is found at page 4850 of *Hansard* for May 6, and is as follows:

> That all the words after "That" to the end of the question be deleted and the following substituted therefor:
>
> in view of the impending departure of the Prime Minister for Washington this house desires to record its opinion that further and more vigorous efforts should be made by the government to bring about the removal of the restrictions imposed by

the United States on the importation of Canadian agricultural products, in violation of the general agreement on tariffs and trade.

Following the speech of the hon. member for Eglinton there were speeches by my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), the hon. member for Acadia (Mr. Quelch), the hon. member for Assiniboia (Mr. Argue) and then a speech by the Prime Minister. In the course of his speech the Prime Minister indicated that if it was understood that this amendment was not to be regarded as a motion of non-confidence in the government, he was willing that the house might pass the amendment, whereupon another motion could be moved to go into committee of supply and we could carry on with the day's business.

I am sure many of those present will recall that. But I ask the government and hon. members in the house generally to note that that happened in May, 1953, just a couple of months after we had been told by the Minister of Agriculture, "No, you cannot do that sort of thing". It looks as if it all depends upon the government's attitude toward the subject matter of the amendment. In the case of the amendment moved by the hon. member for Eglinton, apparently the government was not unwilling that the house should record itself in favour of the subject matter thereof; but in the case of the amendment moved in February, 1953, by the hon. member who is now the hon. member for Prince Albert, apparently the government felt differently.

So, Mr. Speaker, is it not pretty clear that what we are confronted with on these amendments to go into supply is not an iron-clad and absolute rule that can be found somewhere in a book on procedure; rather that we are confronted with what the government tells us is the case each and every time. Sometimes the government says "This is a motion of non-confidence, and all Liberals must vote against it". And most Liberals, if not all, do vote against it. On the other hand, if the government decides it is a perfectly acceptable proposition and wants it to pass, then all Liberals vote for it, and it passes unanimously.

The occasion to which I refer, of May 6, 1953, is not the only one of recent date. I have here as well *Hansard* for 1951, and I would remind hon. members that on June 12 of that year there was an amendment to the motion to go into supply which, on that occasion, was moved by the Leader of the Opposition. Again the motion made by the government was a motion to go into supply. The amendment moved by the Leader of the Opposition was, in the words of the Minister of Agriculture today, and those of the hon. member for Rosthern, what is sometimes called a motion of non-confidence. According to them such a motion could not be carried without meaning the defeat of the government.

It so happens that on that occasion, as Your Honour will recall because of your interest in previous parliaments as well as in this one with respect to this matter, it dealt with a proposal to set up a special committee on procedure. That could lead into a discussion in which I shall not indulge at this time.

What was the attitude of the government on that occasion? Did the government say, "We will not let the Liberal party vote for this, because it would mean the defeat of the government"? No; the Prime Minister said that on the understanding that this was not to be regarded as a vote of non-confidence, he had no objection to the acceptance of the amendment. Therefore on that occasion of June 12, 1951, the amendment to the motion to go into supply was adopted.

The government was not defeated, any more than it was on May 6, 1953. On each of those occasions, immediately after an opposition amendment to the motion to go into supply had been carried by the house —and in both cases this was done unanimously—a minister of the crown rose and moved again that the house do now go into committee of supply. I do not wish to endanger the chances of this procedure being followed again by emphasizing the fact that on at least one of those occasions the next motion to go into supply was subjected to an amendment as well, but that is just to make the record complete.

In addition to these two occasions I have mentioned, namely May 6, 1953, and June 12, 1951, there was the occasion on August 27, 1946, to which my colleague, the hon. member for Mackenzie referred earlier, when there was before this house an amendment to the motion to go into committee of supply. That amendment suggested that consideration should be given to the continuation of the milk subsidy.

After a number of hon. members had spoken, including a number of Liberal members who spoke in favour of the subject matter of the amendment, the Minister of Trade and Commerce (Mr. Howe) suggested that it might be regarded not as a vote of confidence or non-confidence in the government but that there should be a free vote. On that occasion, unlike the ones in 1951 and 1953 to which I have referred, there was a recorded vote, a division of the house. Even so, enough Liberals voted with those of us on

the opposition side of the house for the amendment to carry, but the government was not defeated and no election was brought on.

The reason nothing of that nature happened was that the government had said in advance it was not to be regarded as a vote of non-confidence in the government. Accordingly, as soon as the milk subsidy amendment had been carried a minister of the crown moved that the house go into committee of supply. That second motion carried, we went into committee of supply and the business of the house went on.

I submit that the picture is becoming very clear as a result of these incidents. The hon. member for Rosthern made quite a speech this afternoon during which he gave us a few pointers on procedure and on the constitutional nature of our democracy. He made it clear that he felt it was his responsibility to try to keep the present government in office. The logical conclusion to be drawn from the position he takes, in the light of these various instances to which I have referred, is that when there is an amendment to the motion to go into committee of supply, if the government says it is a motion of non-confidence and all Liberals must vote against it, they do vote against it; if the government says it is not a motion of non-confidence, that they like it, that they think it should pass, then Liberals vote for it; but if the government says it is not a motion of confidence or non-confidence, that they have no opinion, that they are prepared to let the members of the house have a free vote, then on an occasion such as that the hon. member for Rosthern and other Liberals vote as they feel they should on that particular issue.

I suggest that the picture has become somewhat confused, but at any rate surely this much is clear from what has come out of these debates on amendments to motions to go into committee of supply. We have had a clear indication as to where the government stands. Having been willing on some occasions to accept the opinion of the house, at least for its own guidance, and still feel it was not defeated; having been willing on other occasions to accept the subject matter of the amendment as satisfactory to the government, does it not follow that when the government says "No", when it says "This is a motion of non-confidence", when it says to the Liberal members of the house, "You must vote against it", that means the government is opposed to the subject matter of that amendment?

I suggest that if the government does not want to be left in the position of being unalterably opposed to proceeding with the construction of the South Saskatchewan river dam and the irrigation project, it should on this occasion do as the Leader of the Opposition has suggested and permit a free vote of the members of this house.

We know where the Minister of Agriculture stands. As far as the project of the dam is concerned we know of all the documents he has pulled out of his pockets and the different statements he has made. But let it be said in all fairness to the minister that he is in favour of the construction of the South Saskatchewan river dam and irrigation project. We know also from his forthright statements, both inside and outside the house, that the Prime Minister is not yet in favour of recommending to parliament the appropriation of the necessary money to go ahead with this project.

But what we do not know on any free basis is where all the hon. members of this house stand. We have had votes in the past that make it pretty clear that members of the opposition groups in this house favour proceeding with this project. But we do not really know where Liberal members stand. I suggest that it might be to the advantage of the Prime Minister and the Minister of Agriculture and other members of the government to find out where Liberal members stand. They will not find out simply by saying that this is a motion of non-confidence and therefore they must vote it down. If they will say, as the Minister of Trade and Commerce said on August 27, 1946, that this is a free vote, or if they will accept it on the terms on which the Prime Minister accepted the motions in 1951 and 1953, we would have a chance to find out where the Liberal members of this house stand. I think that would be of value to the Prime Minister.

Of course if he wants to get advice from the hon. member for Swift Current-Maple Creek who is trying to interrupt me, I am sure he is ready to give it to him at any time.

It is obvious from what I have been saying that I feel strongly about this project. I believe it is good for Canada as a whole. I feel that it should be proceeded with as soon as possible, but it is obvious that the hurdle we must get over first is the question of what the government is going to do. I suggest that the government would be well advised to find out where we all stand in this House of Commons, and the best way to do that is to permit a free vote on the amendment now before the house.

Mr. H. P. Mang (Qu'Appelle): Mr. Speaker, since members from Saskatchewan who sit on this side of the house have been referred to on several occasions, I think I should take

just a moment or two before the vote to state my position. There have been volumes of discussion on this topic. There have been royal commissions and investigations, and I think probably every angle of the construction of the South Saskatchewan dam has been thoroughly explored.

I stated my position last year, as can be found in *Hansard,* as being in favour of the project for three main reasons. First, as an irrigation project it would be an undertaking in the national interest. Second, as a power project it would justify itself. I emphasized last year that assuring as it would a constant water supply for the cities of Moose Jaw and Regina it would be a project of value, not only to Saskatchewan, but because these are two of the larger cities of Saskatchewan it would be in the national interest.

I indicated at that time that it would make a considerable change in the geography of Saskatchewan. After all, Saskatchewan is in Canada, and the project can be tied in for that reason. I pointed out that the construction of this dam would create a lake about two-thirds the size of lake Erie. To have such a body of water in the Palliser triangle would certainly, from every way you look at it, be in the national interest. I just want to restate those three points, without going into detail at this time.

There is no body of opinion in Saskatchewan opposed to the building of this dam. I remember well when the Prime Minister spoke in Regina during the last election. He dealt with this very question right in the heart of Saskatchewan, and he told us in his forthright manner that at this time the Saskatchewan dam would not be constructed. That is not saying no to the project, any more than it is saying no to a national health plan in Canada; but at the moment, in the judgment of the government, this does not seem to be the time to do it.

After all, this side of the house is responsible to the nation as a whole and must use its judgment in that way. Here perhaps I should not be too positive, because this is only my second year here; but it is all very well for the opposition to bring up resolutions or amendments that cover a very large field. As a matter of fact there is no limit to the field of resolutions that may be placed on the order paper by the opposition side. We on this side are saddled with the responsibility not only of promoting ideas, but this side of the house has the definite responsibility of doing the work. The opposition does the talking, but this part of the house does the work. It has the responsibility of finding the money for it.

Mr. Gillis: You are not losing any weight.

[Mr. Mang.]

Mr. Mang: I have the fullest confidence that the national business, which is the concern and responsibility of this government, is being conducted in a way that will redound to the national interest from Newfoundland to British Columbia.

I do not like to mention politics or political angles, but it has been stressed by several that in Saskatchewan this matter has been a political football. I want to tell this house that I have been in politics in Saskatchewan, if you wish to know, since 1925, when I attended my first nominating convention. That goes back quite a way. If anyone talks about playing political football, I think I know at least a little about it. I do not know what our C.C.F. friends in Saskatchewan would do with respect to digging up election issues if they did not have this issue to bring up.

If anyone in Saskatchewan has made the Saskatchewan dam a political football it has been our socialist friends in that province. Perhaps they would be in a sense economically happy, but I am telling this house they would be extremely unhappy if the Saskatchewan dam were built, because they bring that out from time to time and, along with the general socialist story of the broken promises the Liberal party has been strewing throughout Saskatchewan, this is always one of the promises that is dragged out of the basket at election time. If anyone has made this issue a political football, it is our socialist friends in the province of Saskatchewan, and everyone in Saskatchewan knows that.

I am not afraid. I have no hesitation in voting against this amendment, because most of the people in my area, and I believe most of the people in Saskatchewan, are beginning to see the political angle of this issue and who are using it as a political football. If I cast my vote, and I am recorded in *Hansard* as voting against the amendment, I can project myself two or three years hence, should I again be a candidate. I can see someone planted in the back of the hall when I happen to be getting right down to the core of things with regard to the splendid record of this government; I can see him pop up and say, "What about the Saskatchewan dam?"

That has been played over and over again, and they are not going to get by with it this time; that is certain. I have no qualms of conscience whatsoever in casting my vote as a vote of confidence in favour of the government. I am not going to vote against the construction of the dam, but I am going to vote against this amendment.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, at the risk of being caught in a nutcracker, the Saskatchewan members on

opposite sides of the house, I am going to say a few words on this subject. I have listened to discussion of the Saskatchewan dam in this house for a long time. As I understand it, at the present time practically everyone in Saskatchewan, including the Minister of Agriculture, wants to build that dam. The drawback seems to have been that the Prime Minister is still doubtful whether the project is in the national interest. I assume he is wondering whether he can justify such an expenditure by the federal government in one province for the purpose for which it is intended. I am going to try to help him out a little.

We have already had an expression of opinion from Saskatchewan, Manitoba and Alberta. I am going to say something now on behalf of the province from which I come. I think he is quite justified in concluding at this time that he is quite safe in making the expenditure, on the grounds he himself sets out, but he is afraid he may be accused in other parts of Canada of subsidizing power in the province of Saskatchewan. Now, he can disabuse his mind of that charge, because he is on safe ground when he is able to tell the rest of the people of Canada that Saskatchewan has a legitimate reason to ask the federal government to make an expenditure of some $62 million in that province, even if it is to some extent going to help the development of power. In the development of the St. Lawrence seaway, as far as the province of Ontario is concerned, one of the greatest advantages this province is going to get is the power development at Niagara falls. So indirectly the province of Ontario is going to be heavily subsidized in the provision of power for the future through the St. Lawrence seaway. The people of Saskatchewan are going to pay their proportionate share in helping to develop that power as a sideline of the St. Lawrence seaway project.

If anyone is still doubtful on that point all he has to do is say we have been looking at the future of power in Canada, and we have decided that not far away is the possibility of atomic energy; so in searching around for a place to set up a pilot plant, which is going to cost the federal government some money, we have decided that we are going to establish in this province of Ontario an atomic energy reactor in co-operation with the province, in order that we may be in that field of power in the future. So we are assisting the province of Ontario on two counts in the development of power.

On that score the Prime Minister is legitimately entitled now, after canvassing the situation for a long time, to say to his supporters that the time has come for the people of Canada as a whole to look upon this project in Saskatchewan as a national project.

In the second place, in view of the fact that, according to what I heard this afternoon in debate, the province is prepared to spend some $78 million in this development, the federal government's share to be about $62 million, I think the province is carrying a fair share. We are going to develop Canada for the future. As we build up our country through immigration and other means I hope we are not going to confine our thinking just to the provinces of Ontario and Quebec and consider them as the great centres, with the rest of the country as the hewers of wood and drawers of water. I assume that we are going to do something to expand the economy in every province so we may be able to accommodate more people.

From listening to discussions of the matter and reading something about it, I understand that with the development of power through this project there is a possibility of getting some kind of a diversified economy. At the present time it is a wheat economy, a one-crop economy. This economy is subject to the whims of the elements. If it could be diversified by some industrial expansion on the prairies, through this power development, the chances are that over the long pull it may be possible to save in wheat subsidies more than the amount of money that is being asked should be put into this particular project. In any case, I think members in all parts of the house should take the question out of the realm of politics.

Someone mentioned the Canso causeway. We know that matter was the subject of long argument; 10 years, in fact. We had a commission on it. However, it was not until we sold the people in our end of the country on the idea that this was not a political issue, formed a committee in that province representative of all parties, and took the project completely out of the realm of politics, that we got some sanity into the thinking of all concerned. Everybody wanted it but nobody wanted the other fellow to get any advantage from it. Once we neutralized the question we went ahead and got something done.

I think that is the attitude that must be taken with respect to this project. I do not think there is anyone in the maritime provinces, at least, who would object to the federal government throwing in the amount of money that is asked here. We realize that Saskatchewan is in much the same position as the maritime provinces. There are many things they would like to do. There are many things they know should be done. If they had the finances with which to do it provincially they would undertake this project

themselves. But they have not the finances provincially, and I think they are legitimately entitled to ask the rest of Canada to throw in something in order to help them do something that, in my opinion, will mean a great deal to that province in the future.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Argue	Howe (Wellington-Huron)
Barnett	Johnston (Bow River)
Bell	Jones
Blackmore	Knight
Brooks	Knowles
Bryce	Leboe
Bryson	Low
Cameron (Nanaimo)	Macdonnell
Campbell	McCullough (Moose Mountain)
Castleden	Michener
Charlton	Mitchell (London)
Churchill	Monteith
Diefenbaker	Montgomery
Dinsdale	Murphy (Lambton West)
Drew	Nesbitt
Dufresne	Nicholson
Ellis	Pallett
Fairclough, Mrs.	Patterson
Fleming	Pearkes
Fraser (Peterborough)	Poulin
Fulton	Quelch
Gagnon	Robinson (Bruce)
Gillis	Stewart (Winnipeg North)
Green	Thatcher
Hahn	Tustin
Hamilton (Notre Dame de Grace)	Winch
Harkness	Wylie
Herridge	Yuill—58.
Hodgson	
Holowach	

NAYS

Messrs:

Applewhaite	Gour (Russell)
Ashbourne	Gregg
Balcom	Habel
Batten	Hardie
Benidickson	Harrison
Boisvert	Houck
Brisson	Howe (Port Arthur)
Brown (Essex West)	Jutras
Buchanan	Kirk (Antigonish-Guysborough)
Byrne	Lafontaine
Campney	Langlois (Gaspe)
Cardin	Lapointe
Carter	Lavigne
Croll	Leduc (Jacques Cartier-Lasalle)
Decore	Leduc (Verdun)
Deschatelets	Lusby
Deslieres	MacDougall
Dickey	MacEachen
Enfield	MacKenzie
Eyre	MacNaught
Fairey	McCann
Fraser (St. John's East)	McCubbin
Gardiner	McCulloch (Pictou)
Gauthier (Lake St. John)	McIvor
Gauthier (Portneuf)	McMillan
Mang	Richardson
Marler	Robinson (Simcoe East)
Martin	Ross
Michaud	St. Laurent
Mitchell (Sudbury)	Schneider
Murphy (Westmorland)	Simmons
Philpott	Stick
Pickersgill	Stuart (Charlotte)
Pinard	Studer
Pouliot	Tucker
Power (Quebec South)	Villeneuve
Power (St. John's West)	Weaver
Proudfoot	Weir
Prudham	Weselak
Purdy	White (Waterloo South)—82.
Reinke	

ROBERT ALEXANDER HOODLEY

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I rise to present a grievance at this time. My grievance is that there is a joint committee of the House of Commons and the Senate on the question of capital punishment whose report has not yet been made; and at 12.05 tonight Pacific time, or 3.05 a.m. our time, a young man will be hanged in Vancouver. I maintain he should not be hanged.

I raise this grievance as a matter of emergency because this is the only opportunity I shall have to save a man's life. I want to say this, sir, that in accordance with all the rules and the laws of parliament the matter has gone through the courts and has been considered by the cabinet.

I may say, sir, that I submitted a presentation to the only one who has the power to receive or consider any presentation on behalf of this man, Robert Alexander Hoodley. May I just read a part of my communication, because it states the grievance rather briefly. It is, as I have said, an emergency grievance because this man is to hang tonight, and only this parliament can save his life.

Mr. Speaker: May I interrupt the hon. member to indicate to him that I believe this parliament cannot do anything about that. The prerogative of mercy is one which is within the power of the crown. I may say that I am not too sure of my ground at the moment, but I intervene now because I do not want this incident to go without any comment on my part. It seems to me that not very long ago I read somewhere that matters pertaining to pardon are one of the very few prerogatives which remain within the realm of the crown. It is one of those residual powers which, of course, are vested in the cabinet but which the cabinet administers with the representative of Her Majesty. I hold in my hand May's eleventh edition.

All I am trying to do is indicate that what I may be saying now has a certain foundation

of truth. At page 461 of May's eleventh edition I find this, for instance:

> A bill for a general pardon, or act of grace, as it is commonly termed, originates with the crown, and is read once only in each house, all the member being uncovered, after which it receives the royal assent in the ordinary form. Such a bill cannot be amended by either house of parliament, but must be accepted in the form in which it is received from the crown, or rejected.

If May, at page 461 in his eleventh edition, writes in this fashion about a bill relating to a general pardon, that it must be either accepted or rejected as it originates from the crown, it certainly indicates our limitations in regard to the prerogative of mercy as exercised by the crown upon the advice of the members of the council.

Having issued a caveat, I am not going any farther. I am going to let the hon. member proceed, but I should like to mention this because there may be other such instances. I promise the hon. member and the house I shall look into the point further in order to make sure that I am not erring in my contention at the moment. It seems to me that this is not the type of subject matter which can be raised as a grievance on a motion to go into supply. See "Government and Parliament" by Herbert Morrison, p. 81; Keith's "British Cabinet System", second edition by N. H. Gibbs, pp. 352-3; see also House of Commons debates, vol. VI, February 11, 1875, pp. 83-88; Todd's "Parliamentary Government in England", as revised by Spencer Walpole, vol. I, pp. 205-210.

Mr. Winch: I appreciate your remarks very much, Mr. Speaker. I think you understand that I am not discussing anything which has to do with the prerogative of a general expression of mercy, but this grievance deals with only one case. As you have said I may proceed, I should like to do so because it must be done tonight. I am raising this question in order to ask the members of the House of Commons to request the cabinet to exercise their prerogative of mercy and revise a decision they have made. I refer to the case of Robert Alexander Hoodley, who has been sentenced to hang tonight.

Since my time is short I am going to present the case very briefly. This young man, Robert Alexander Hoodley, was born in Shanghai in December, 1934, and because of an unfortunate family situation developed a serious abnormal behaviourism. The experience of going through the war years as a very young child also had a detrimental effect. I believe his record amply demonstrates a very unstable nature, and discloses that he was subject to violent and inexplicable reactions.

He was examined by Dr. R. A. E. Richmond of the child guidance clinic in 1950 and found to be in a mental condition. Since the date of the homicide he has been examined by Dr. Richmond and Dr. Whitman, who are both very highly regarded psychiatrists, and I am given to understand that he has been classified as an aggressive psychopath, and in the opinion of the examining doctors is given to violent, impulsive behaviour that can explode almost spontaneously because he appears to be motivated by a hairtrigger stimulus.

The person killed by Mr. Hoodley was the stepfather of his fiancee. It is a matter of record that Miss Patricia Walsh, the fiancee, told Mr. Hoodley that her stepfather had forced sexual relations upon her. This being the case, I think it can be understood why on the spur of the moment young Hoodley took the impulsive action which resulted in the committing of homicide. One cannot condone this young man's action, and without any question of doubt he must be placed in an institution where society would be protected from his impulsive neuroticism.

However, in view of all the circumstances I do feel that the death penalty, which is mandatory by law, should be commuted by the governor general in council to a term of life imprisonment. This matter went before the cabinet last Friday. Because I understand I cannot be given information before it becomes public, I was not notified until 2.45 this afternoon—though I asked for the information last Saturday—that the cabinet had turned down this plea for clemency.

In view of the fact there is now a committee of the Senate and the House of Commons on capital punishment; in view of the fact it is hoped by the joint chairmen of the committee and all the members that we can have a report on capital punishment this session; in view of the fact that here we have a case where all the evidence shows that the man is an aggressive neurotic and that he shot his fiancee's stepfather because of the rape of his fiancee, I say there is only one power now that can save this boy's life and put him under guard in an institution, and that is this House of Commons. I recognize that the House of Commons can only advise the Prime Minister and the cabinet. The House of Commons can only ask the Prime Minister and the cabinet to meet—to meet tonight—and give at least a stay of execution, but with the hope of commutation of sentence to life imprisonment.

Sir, it is not very often I ask anything of this nature, but I feel strongly about it. I wish to thank the Prime Minister for having

given me the opportunity to speak to him today. I know I am not alone in thinking as I do. Other members of all parties feel the same way, and have spoken to the Prime Minister.

Sir, because it is now approaching ten o'clock, and because I do not want this application wiped out by Your Honour calling it ten o'clock, I shall conclude by asking the House of Commons—the only group who can now do it—to request the Prime Minister and the cabinet to meet tonight and commute this sentence which, if they do not intervene, will be fulfilled by a boy being hanged, a boy who is neurotic, aggressive, hairtrigger, and who shot a man because his fiancee was raped by her stepfather. If they do not intervene the sentence will be carried out at 3.05 E.D.T.

Sir, I thank you for the opportunity given to me to speak on this matter. I shall not move any amendment, but shall rest in the hope that the House of Commons will express its opinion that this sentence should not be carried out.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, a discussion of this kind is quite irregular, and has been refused by Mr. Speaker at Westminster on more than one occasion. I appreciate the hon. member's intense feeling about this matter, but I can assure him that he is misinformed about certain of the facts, or certain of the things he has mentioned as facts in connection with this case.

The case was very carefully considered by those who had the constitutional responsibility to consider it, and it is not a responsibility that anyone enjoys having to exercise. It was very carefully considered on two occasions. On the first occasion it was considered because the time at which it had to be considered had arrived, and a conclusion was reached after a very serious study of the record of the facts that were proved, and that are not in accord with the information the hon. member has and in which I am sure the hon. member honestly believes.

The facts that were before us were the facts that had been proved before the court. There are very eminent psychologists who believe that our law is not as it should be, but we have to apply it as it exists. There was a serious and honest endeavour to reach a proper conclusion. A recommendation for His Excellency was prepared and was signed; but before it reached His Excellency news arrived that a court in British Columbia had granted a reprieve to allow special application to be made for an appeal to the supreme court. That application was made, for special leave to appeal to the supreme court. It was denied.

After it was denied the case was reconsidered, and we had all the facts before us. The hon. member, in his approach to me, told me quite frankly that he had no new facts, but felt that we had not made a proper appreciation of those that were before us. Well, we had the constitutional responsibility of making that appreciation and to us it appeared, as it appeared to the jury and to the court of appeal, to be a cold-blooded murder, committed under circumstances which, in accordance with practice that has been followed in recommendations to the crown, would not justify a recommendation for interference with the course of the law.

We had to come to that conclusion, and we came to that conclusion. There has never been any occasion when there was an attempt by any House of Commons, either here or in the United Kingdom, to go behind the exercise of that terrible responsibility we have to discharge.

On motion of Mr. Argue the debate was adjourned.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, May 17, 1955

The house met at 2.30 p.m.

STANDING ORDERS

Second report of standing committee on standing orders.—Mr. Harrison.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 373, respecting the Commercial Travellers' Association of Canada.—Mr. Michener.

Bill No. 374, to incorporate Petroleum Transmission Company.—Mr. Fairey.

Bill No. 375, to incorporate Yukon Pipelines Limited.—Mr. McIlraith.

Bill No. 376, to authorize Trans-Prairie Pipelines, Ltd., to construct, own and operate an extra-provincial pipe line.—Mr. Weaver.

Bill No. 377, respecting Equitable Fire Insurance Company of Canada.—Mr. Boisvert.

Bill No. 378, to incorporate S & M Pipeline Limited.—Mr. McIlraith.

SUPPLY

The house resumed, from Monday, May 16, consideration of the motion of Mr. Lapointe for committee of supply.

WHEAT—FINAL PAYMENT, 1953-54

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I rise at this time to express grave concern over the extremely small final payment for wheat announced yesterday and grave concern for the whole future of the wheat-producing area of western Canada. Ever since 1945 the price of wheat has been relatively stable. The wheat board has paid the western wheat producers a final price for each crop year since 1945 of something in excess of $1.80 a bushel, and usually about $1.83 a bushel. But with the final payment announced yesterday, for the first time since 1945 the price of wheat to the producer has fallen far below $1.80 a bushel for No. 1 northern basis Fort William.

With the final payment announced yesterday the total price for wheat amounts to only $1.56 a bushel. This more than 25 cents per bushel drop in the price of wheat to the wheat producer is causing grave hardship in western Canada, is meaning a tremendous loss in purchasing power by western farmers and, as we all can see, is reflected in widespread unemployment and in a recession in many of the industrial areas of Canada.

Since 1945 the policy of the wheat board and the government in reference to wheat has been approximately as follows. In the beginning of each crop year an initial price of $1.40 per bushel was paid; the following February an interim payment of 20 cents per bushel was made; and in December of the same crop year a final payment was made, usually between 20 cents and 25 cents a bushel. Now not only have the payments fallen off drastically but the payment is made at a later and later date. In the 1953-54 crop year there was a delay in the making of the interim payment from February, the usual time, until December and a delay in the making of the final payment from December until May or June of this year when the farmers are likely to receive their cheques. The interim payment for the 1953 crop was reduced from 20 cents a bushel to 10 cents a bushel and, as I have said, the final payment was reduced from an average of 20 to 25 cents a bushel to an effective final payment of 6·2 cents per bushel.

This same thing can be illustrated in another way. When the 1950-51 wheat pool was wound up and the final payment was made there was a surplus on hand of $106 million. For the 1951 crop there was a surplus of $115 million, and for the 1952 crop there was a surplus of $123 million. This time the surplus, which has always averaged more than $100 million in the period I have referred to, is reduced to just over $25 million. The reduction of $80 to $100 million in the surplus representing money that cannot be made available to farmers as a final payment is not only very serious as far as the prairie provinces are concerned but is very serious indeed as far as the whole Canadian economy is concerned.

The drop in the price of wheat is reflected in a drop in farm net income. I have in my hand the latest figures for farm net income. They show that during the period from 1951 to 1954 there was a drop in farm net income of 48 per cent or from $2,154 million in 1951 to $1,125 million in 1954. A very substantial part of the 48 per cent drop in farm net income is directly attributable to the falling off in the price of wheat and the

reduction of wheat board payments. Let no one go away with the impression that I am opposed to or critical of the wheat board method of marketing grain. We continue as always to support the wheat board method of marketing grain, and even though the price of wheat should fall even lower the wheat board method will remain the best possible method because it gives to each producer of wheat in the prairie provinces exactly the same price as his neighbour receives for the one-year period. The wheat board cannot guard against all severe fluctuations in the price of wheat but it can and does give to the farmers within a 12-month period the same price for wheat, and that in itself is a very important and worthwhile accomplishment.

I believe the Canadian government should establish a sound price for wheat based on the principles of parity. I have mentioned in the past how the government is behind other nations of the world in so many fields, and I regret that I am able to point out this afternoon that the farmers of Canada are guaranteed the lowest price for wheat of wheat producers in any wheat producing country in the free world. I hold in my hand a table of guaranteed prices for the various countries taken from the Alberta *Wheat Pool Budget* of March 25, 1955. Here is how the prices go:

Country	Guaranteed price per bushel of wheat
Turkey	$3.21
France	3.04
Tunisia	3.03
Germany	2.83
Spain	2.81
Argentina	2.80
Japan	2.61
Greece	2.40
Belgium	2.29
United Kingdom	2.20
Sweden	2.10
United States	2.06
Australia	1.57
Syria	1.54
Canada	1.44

These prices are expressed in terms of United States currency. The Canadian wheat producers get from their government the worst treatment, in the way of a guaranteed floor price, of the wheat producers in any important wheat producing country in the free world. It is for that reason I say our farm organizations are justified in asking for an adequate support price for wheat, and in asking that parity prices be established.

From time to time we have asked the Minister of Trade and Commerce (Mr. Howe) what was happening to the Canadian export market for wheat. Time and time again the minister has replied that all was well, that our markets were holding up well. As recently as last Friday the minister, in reply to a question asked by the hon. member for Humboldt-Melfort (Mr. Bryson) as to the drop in Canadian export sales of wheat, had this to say, as reported at page 3732 of *Hansard* for May 13, 1955:

> We believe that our policy of selling for dollars is the proper policy for Canada. I know of no reason why we should sacrifice wheat which is the property of the producers of western Canada for the sake of the odd few sales we might get if we accepted a different currency.

On March 28 the minister, in reply to a question by the hon. member for Prince Albert (Mr. Diefenbaker), had this to say, as reported at page 2429 of *Hansard* for that date:

> I think it is encouraging to find that, in spite of the offers of wheat made by the United States, Canada is selling more wheat than the United States has succeeded in disposing of by the various methods it has adopted.

Apparently not until yesterday did the minister realize what was happening in the world wheat export picture. What has been happening has been this. Canada's percentage of the sales of export wheat has been dropping every year since 1952-1953, from 43·2 per cent until now when it is running currently at 33·4 per cent. Even though there has been a substantial increase in the world trade in wheat, Canada has obtained practically none of that increase. The United States has obtained an increase of 64 million bushels to date in the current period; the Argentine, 14 million bushels; Australia, 12 million bushels, and Canada the very small increase of 2 million bushels.

It is clear from those figures that our government is going to have to adopt a different technique in the exporting of Canadian wheat if we are to hold our position in the export markets of the world. I suggest that position can be held only if the government moves away from its present position of demanding dollars and cash in return for the sale of every single bushel of wheat. Instead of criticizing the United States government for having made wheat available to countries that are short of cash, and short of hard currency I suggest the Canadian government should be adopting a similar policy which would result in the underdeveloped countries obtaining increased quantities of wheat, and which would obtain for Canada its traditional share of the world market for wheat. The government may not realize the very serious condition of agriculture in Canada, particularly in western Canada at the moment.

The *Western Producer,* published by the wheat pool organization, came to my desk yesterday. It is dated Thursday, May 12,

and in an editorial entitled, "Are Farmer Organizations on Their Toes?" in speaking about the dominion-provincial conference, I read the following:

> In the circumstances, is it not highly significant that the dominion-provincial conference should be seized by the problem of unemployment which, bad though it may be, is no more than a symptom of the real disease, the core of which is the decline in agriculture.

And nothing is being proposed by the government today which will bring agriculture out of the deep depression it is now in, in western Canada, and which in turn would help to bring Canada out of the current recession.

Speaking about the disposal of agricultural surpluses, the *Western Producer* in the same issue, in an article entitled "The Surplus Problem", has this to say:

> Agriculture today in Canada and elsewhere is confronted with many grave problems. Among the most serious, we suggest, is that posed by the inability to distribute surpluses and give farmers the green light to produce to the optimum in the knowledge that they will be assured of ready markets at fair prices. At a time when everybody admits that the food is needed and that a prosperous agriculture is the foundation for general prosperity this is not an unreasonable objective. On the contrary, to permit agriculture to slide into a depression might easily drag the whole economy down and thus gravely imperil the position of the whole non-communist world.
>
> It is time that a concentrated effort by organized agriculture should be made to urge our own government to give top billing to consideration of ways and means for surplus food disposal.

I suggest to the government that instead of criticizing the action taken by the United States to get rid of their surplus agricultural products, the Canadian government should be co-operating with the government of that country, and should have similar policies to get rid of current agricultural surpluses in Canada.

Yesterday in his statement the Minister of Trade and Commerce pointed out how successful the United States has been in its current drive to make wheat available to soft currency countries. He pointed out that the government of the United States under this policy has made available 60 million bushels of wheat at a cost of about $200 million. Then, as reported at page 3782 of *Hansard*, he went on to say:

> The purpose behind the surplus disposal efforts of the United States is to increase consumption in areas that cannot afford to buy wheat. Canada has no quarrel with that principle.

In other words, according to that statement by the Minister of Trade and Commerce, American policy does not affect our commercial markets for wheat but, in the words of the minister, increases consumption in areas that cannot afford to buy wheat.

That is what the C.C.F. has been advocating for many years, that our surplus agricultural products should be used to feed the hungry of the world, and that the government should not follow a policy of attempting to restrict production by enforcing stop-loss floor prices which ruin the farmers, or a policy of saying, "We will sell for cash, and for cash only, even if we lose a very substantial share of the international market for wheat".

The group of which I am a member believe in the principle of parity prices. We do not believe that parity prices are something that can be described as pie in the sky. We do not think that parity prices are something that is impossible of accomplishment. We think that parity prices, in the interests of all Canada, must be accomplished and must be provided. Until agriculture is assured of reasonable treatment, reasonable prices and a continuing steady share of the national income it will face recurring periods of drops in income. Farm income has dropped 48 per cent in three years.

In order to overcome this recurring recession in agriculture, with its evil effects on the whole Canadian economy, the C.C.F. stand four-square behind the principle of parity prices. Parity to us is equity and justice. We do not support, as some other parties in this house do, notably the Social Credit party, a certain percentage of parity for any commodity which is less than 100 per cent, no matter by what formula it may be arrived at.

Mr. Low: Prove that.

Mr. Argue: I shall prove that to you in one moment.

Mr. Low: You cannot.

Mr. Argue: I will prove it right now by quoting the hon. member for Acadia who gave the Social Credit position on agriculture in the budget debate, as reported at page 3626 of *Hansard*, as follows:

> In this group we have been advocating a two-price system for a number of years; that is, that the domestic market for farm products should be supported at 100 per cent of parity and that farm exports should be sold at the best prices obtainable in the international market, preferably under international agreement but supported by a reasonable support price.

That is the policy.

Mr. Quelch: Agreed.

Mr. Argue: The hon. member for Acadia says "agreed"; that the return to agriculture on a given commodity shall be the return which is derived from selling a part of the production on the domestic market at parity prices.

Mr. Quelch: All the production on the domestic market.

Mr. Argue: Yes, on the domestic market but where the domestic market cannot use all the production, then the remainder is sold on the international market at the market price, and the farmer gets the amount that is obtained at the market price. For example, on wheat today it would mean a fair support price but still not parity. With parity for wheat today at perhaps $2.05, and as the hon. member says, if wheat sold outside Canada at $1.75 today the farmer would take the average and he would get less than a parity price.

Just as we believe that people are entitled to 100 per cent of justice in the courts and should not settle for anything less, therefore we believe that agriculture in Canada is entitled to full equity and full parity prices. We do not support anything less than full equity for agriculture.

I can point out that one of the first organizations that appeared before the cabinet asking for full parity prices and full equity for agriculture was not a farm organization but a labour organization. I hold in my hand a program for full employment as outlined by the national U.A.W.-C.I.O.-C.C.L. conference to fight for full employment, dated at Ottawa, February 24, 1954. In this program they have point eight, which is entitled "full equity for working farmers". It reads in part:

> The impressive and productive efforts of Canadian farmers to assure Canada abundance of food and fibre should not be rewarded by depressing the living standards of the people who work the land.
>
> We propose the establishment of a federal farm program that will provide full equity to working farmers, help meet their credit problems at low interest rates which only the dominion government can provide, improve markets, and include other measures necessary to permit farm families to enjoy higher living standards, consistent with a program of full employment and full production.

That is not the view of an agriculture organization; it is the view of very large trade union organizations. I know what the press will say. I know what the Sifton press in western Canada will say. It will claim that parity prices make for agricultural surpluses. That is a fallacious contention. As a matter of fact, the way you get agricultural surpluses is to reduce the general level of agricultural prices; and farmers, in an endeavour to protect their income, milk more cows, seed more acres to wheat and attempt to increase the volume of production in order to protect their standard of living. There is not an agricultural economist that I have read who says that the answer to surpluses in Canada or in the United States is to reduce prices, because if prices are reduced surpluses will be increased.

The United States farmer this year is going to have to make a very difficult choice. He is going to be asked to choose between obtaining a support price for wheat at only 70 per cent of parity, which works out to about $1.70 a bushel, if he agrees to a 30 per cent reduction in wheat acreage; and, if he says no to that, production will be unrestricted and the support price will be $1.19 a bushel. There is a very great danger to the whole international price for wheat that the United States farmer, asked to accept an acreage reduction of 30 per cent in order to obtain 70 per cent of parity, will say, "I will take a gamble with full production, and take whatever the market will bring". That is the kind of policy with lower support prices that does not reduce surpluses; it adds to the surpluses, and that huge surplus then is available to depress the market further. So I say that anyone who claims that parity prices by themselves result in creating surpluses is wrong. Surpluses can be created, and surpluses have to be dealt with; but there is another way to get rid of surpluses than trying to lower prices to the point where you wreck the agricultural economy and by wrecking the economy hope that farmers will decrease their production.

The way to handle surpluses of food products is to increase demand. I am sure that there are many thousands of Canadians who are undernourished and who need more food. I am certain that no old age pensioner in Canada today receiving $40 a month has sufficient to buy the kind of food to give him an adequate diet and a reasonable nutritional standard. The government should adopt a policy which will give more purchasing power to our low income groups and to those on the old age pension. The government should provide a school-lunch program to take care of further agricultural surpluses. In other words, the government should adopt policies to ensure that every Canadian has an adequate diet. If that were done it would take care of a substantial part of any agricultural surplus that may appear. The government also should follow a policy of accepting soft currencies in exchange for wheat. The government should follow a policy of making wheat available for famine prevention and for a school-lunch program in the underdeveloped countries of the world. The government also, I suggest, should make advance payments for farm-stored grain in order that farmers can obtain purchasing power when they produce a crop and are unable to market that crop through congestion.

The government should encourage the storage of any temporary surpluses of wheat on farms as a method of saving storage costs. The minister has told us that the costs of storage have gone up in the past year very substantially—8½ cents a bushel higher than the previous year. The farmer pays that 8½ cents a bushel. The storage costs that are paid today are paid only to the elevator systems in this country and not paid to farmers, and that encourages the elevator companies, as the Minister of Trade and Commerce well knows, to expand their storage facilities in order to make greater revenues and greater profits. All of the time the farmer is paying the total shot. The farmer knows no reason why he should have to build his own storage on his own farm and then have to pay for the duplication of that storage by elevator companies. So I suggest to the government that, in addition to paying storage to elevator companies, which is part of the cost of marketing grain, they should adopt a policy of making storage payments on temporary surpluses of wheat available to farmers when they store their grain on the farm.

These are the points I suggest the government should now adopt to meet this very grave situation. There should be full parity prices for wheat. The government should immediately announce the interim payment on 1954 wheat and not wait till next December. The government should accept soft currencies and make wheat available for famine prevention and a school-lunch program. The government should make advance payments for farm-stored grain and encourage farmers by paying for storage of any temporary surpluses of wheat on the farm.

If this kind of six-point agricultural program for the wheat producers were put into effect, we would restore the purchasing power to this huge area of Canada. We would restore in a large measure the purchasing power to 200,000 farm families in the three prairie provinces. By so doing we would reduce the amount of unemployment in Canada, and, if we made available, as we should, our surplus food to hungry people and to underdeveloped countries, we would be making a very important contribution to peace far exceeding, I suggest, the contribution that is made even by our present defence program.

Mr. Victor Quelch (Acadia): Mr. Speaker, I do not think there is any doubt that the farmers of Canada will be disappointed at the announced price payment, especially when it is realized that the total payment they will have received is $1.56. I will admit right away that the farmers will be better off with that price than they would have been if we had been under the open market system and if there had been no wheat board. If there had been no wheat board in operation in the past four or five years, with the three very large crops we have had, the price of wheat would have gone to a very low level, because whenever there is a large surplus the grain trade always uses that as an excuse to depress prices.

On the other hand, in the light of history and the government's wheat marketing policy since 1945, and in the light of the world situation, I would say that today the farmers are entitled to a higher price than $1.56. It is interesting to note that under the formula that is used under the Agricultural Prices Support Act, section 9(2), using 1943-44-45 as the base year, the parity price of wheat today would be $2.27. I obtained that price from the dominion bureau of statistics; $1.56 is a long way below the parity price as formulated under the Agricultural Prices Support Act as $2.27. But, of course, grain does not come under the Agricultural Prices Support Act.

I should like to review very briefly the history of the government's wheat policy since 1945. Remember that after the war it was government policy to allow our allies to have wheat at a lower price than the actual world market price. The minister of trade and commerce of that day, Mr. MacKinnon, pointed out that it would not be fair to our allies to soak them for every cent we could get in selling our wheat to them. That was the policy of the government when the British wheat agreement was formulated under which we allowed them to have wheat at a price quite a bit less than the price for class II wheat. I know that the Minister of Trade and Commerce (Mr. Howe) on different occasions has said that every member of the House of Commons supported the British wheat agreement as being a good agreement for the farmers. I should therefore like to quote what I said at the time when we were discussing that agreement in this house in 1947, when the agreement came before us in the amendment of the wheat board act. I then had this to say as reported at page 745 of *Hansard* of that year:

> If in the next two or three years there is a wheat shortage, if crops are poor, the price of wheat will be maintained at probably a high level and will remain there. Then the guarantee becomes absolutely useless. If that should be the situation over the next two or three years the farmers of this country, as a result of this agreement, are going to lose several hundred million dollars . . .
>
> I believe that the wheat agreement with Britain was fully justified but it does entail in its early

stages a considerable sacrifice on the part of our farmers. We feel that the sacrifice should be borne by the people of Canada as a whole, . . .

We did not oppose the British wheat agreement. We felt that Britain should be allowed to have that wheat at a figure lower than the world market price, but we felt that that was a sacrifice that should be borne by the people of Canada as a whole instead of being placed fully upon the farmers. In other words, the farmers should have been paid the world market price, the price of class II wheat, and then the wheat could have been sold to Britain for whatever price the government saw fit to sell it. Why should the farmers have been the one body at that time to be called upon to make that sacrifice?

It is interesting to note that as a result of that policy, taking the difference between the price the farmers received under the British wheat agreement and the price of class II wheat, we find that the farmers lost in the neighbourhood of $375 million under the British wheat agreement, and on account of the fact that Canadian consumers were able to buy wheat at the price at which we sold to Britain instead of the price paid for class II wheat, the farmers lost another $136½ million, making a total of $512 million. Subtracting the $65 million with which the government saw fit to compensate them, we have a net loss to the farmers, as a result of the British wheat agreement and subsidizing Canadian consumers at the same price as that paid by Britain, of $447 million. These are figures that were obtained from the wheat board and sessional papers. I will admit that as to whether or not an actual loss occurred to the amount shown as between the British wheat agreement and class II wheat, those are my own figures. But the figures for the amount of wheat sold as class II wheat and under the British wheat agreement were figures that I obtained from the wheat board.

When we look at the world situation today, we find that approximately half the people of the world are undernourished; and we are having that point driven home to us time and again by the various international organizations, the ancillary organizations of the United Nations. We realize that many of those nations which have hungry people are not able to buy the goods they require because they lack the dollars with which to buy them. We have repeatedly urged that we should be willing to sell our goods to these nations for their own currencies instead of demanding payment in dollars.

The interesting point is that that question has come to a vote in this house on two occasions. It came up under the Bretton Woods agreement and it came up under an amendment we moved last year urging that we should sell a certain proportion of our production to Britain for sterling. When those votes were taken every member in the house apart from our party, with the exception of a number of the Progressive Conservatives, voted against it. So far as the Bretton Woods agreement is concerned, every other party in the house, including the C.C.F., by supporting the agreement opposed the acceptance of sterling. When the motion last year with regard to the acceptance of sterling came to a vote, every member of the C.C.F. voted against it as well as most of the Conservatives. It therefore seems strange to me that we are now continually hearing the C.C.F. advocating that we should sell some of our surpluses for soft currency. Yet when they had the chance to vote in favour of that procedure, every one of them voted against it.

Mr. Low: They are opportunists. There is an election on.

Mr. Quelch: What is the true purpose of international trade? What is the real justification for insisting that a certain proportion of our production should be sold for the currency of the importing nation? The justification for that insistence is that the true purpose of international trade is the exchange of goods and services between nations on the basis of mutual advantage. Would anybody deny that that is the real principle or the elementary purpose of international trade? If you accept that as the real purpose of international trade, then surely when you sell your goods to another nation, the only currency you need is the currency of that nation, because it is the currency of that nation that you will have to use to buy its goods. You therefore do not need dollars. Yet strangely enough, as I say, every time that question has been raised in the house and a vote has been taken on it, members of other parties have voted against it.

Last year I referred the Minister of Trade and Commerce to what was happening in the United States. I quoted from the *U.S. News and World Report*, showing that they were going to introduce a policy under which approximately $1 billion of United States produce could be disposed of in foreign nations either in exchange for their currency or in the form of gifts. At that time, as reported at page 5997 of *Hansard* of June 15, 1954, the Minister of Trade and Commerce interjected these words:

That program was adopted some months ago. So far as I know, India has not taken any wheat for rupees and very few other countries have taken wheat for local currencies.

I then went on to point out that the minister was confusing two programs. I was referring to a program that was going to be brought down. When he said it had been in operation for two or three months, he was referring to another program which was called the mutual security act, under which $250 million worth of United States produce could be exchanged for foreign currency and the foreign currency used mainly for defence purposes. But under the new act, the agricultural adjustment act, over $1 billion of United States farm products can be either exchanged for foreign currency or given in the form of a gift. It was strange to me that at that time the government seemed to show so little concern about the program of the United States in regard to being willing to accept foreign currency in exchange for their produce. Even up until a few days ago the minister seemed to think that a program of that kind could not amount to anything because, as reported at page 3732 of *Hansard*, he stated:

> I know of no reason why we should sacrifice wheat which is the property of the producers of western Canada for the sake of the odd few sales we might get if we accepted a different currency.

I cannot understand why he should use that word "sacrifice". There would be no sacrifice entailed in accepting sterling. The sterling area covers a large percentage of the world. It includes many countries. If we accepted sterling, we would be able to use that sterling for the purchase of goods in any part of the sterling area. Where would be the sacrifice?

Mr. Howe (Port Arthur): I have yet to know of a case where that kind of sterling is not frozen sterling. In other words, I know of no case where the United Kingdom has offered sterling that can be used in any part of the sterling area in return for purchases here. I am extremely doubtful if that offer would ever be made.

Mr. Quelch: I will give the minister an example pretty soon. What we were advocating was that Canada should do it. We were not suggesting that the United States should do it. They are already doing it to a certain extent, but maybe in a slightly different way from the way we are advocating. We advocate that Canada should be willing to take sterling. The minister suggested some time ago that Britain might be hesitant to pay us sterling for our produce and keep that as blocked sterling. The only reason Britain might hesitate would be if we were to insist that that sterling be made convertible. Of course if you are going to advocate a policy whereby you accept the foreign currency of another nation you certainly would not advocate convertibility of currency because you cannot have convertibility of currency until such time as you introduce a policy under which trade can be balanced. Until such time as we have a policy under which trade between the sterling area and the dollar area can reach a fairly high degree of balance, it is just useless to talk about convertibility of currency. It would break down just as it did in 1947.

We have heard a lot of talk about convertibility being just around the corner, but we are always finding there is another corner when we get to that corner, and I think we will continue to find there are more and more corners until such time as the creditor nations are willing to accept goods in return by way of payment. Just as long as a nation like the United States insists upon maintaining a heavy favourable balance of trade they make it impossible for other nations to make their currency convertible into American dollars because the only way those nations can get American dollars is by selling goods, and just as long as the United States makes it impossible for them to sell their goods or services to America, just so long does the United States make it impossible for there to be convertibility of currency.

As I say, the minister seemed to belittle the effect that acceptance of foreign currency would have upon the Canadian economy, and yet I noticed that in his speech yesterday he blamed the United States policy of trading their goods for foreign currency or giving their goods away as being the reason why our sales are down. He will not admit it had any effect upon price but he admitted it had had some effect upon our sales. He mentioned that the United States had sold somewhere in the neighbourhood of $200 million of wheat. Of course there were many other commodities they sold as well.

Perhaps I should give a few examples of deals the United States has made, and I just pick these at random. In the most recent issue of *Foreign Trade* there is a very interesting article, which I shall be using on another occasion, dealing with United States policy. I think it would be better to deal with that question when we are on the estimates of the minister. But I will take the *Wall Street Journal* of April 21, 1954, which contains an article dealing with certain operations under the mutual security act. It reads:

> The foreign operations administration allotted $10 million to Yugoslavia and $235,000 to Norway to buy surplus United States agricultural products under section 550 of the mutual security act. The countries will pay in their own currency, which the United States will use for foreign aid purposes. The United States in turn will supply dollars to exporters.

Wheat

Then in the Montreal *Gazette* of May 11, 1955, I find the following in an editorial:

> On May 5 an announcement was made in Washington of a "package agreement". Under this agreement $73·9 million worth of United States surplus agricultural commodities will be sold to the United Kingdom, with payment in sterling being accepted by the United States government agency, the foreign operations administration.

They are accepting that sterling and with the sterling they will probably be able to buy goods in other countries. The minister shakes his head, but even so there is a very large variety of goods we could buy from Britain which we are at the present time buying from the United States. We could just as well buy them from Britain. I agree with the minister that there may be some difficulty in educating the Canadian people with respect to the desirability of buying less from the United States and more from Britain, but I believe that with an educational campaign that could be taken care of if the people realized the effect upon the Canadian economy when we have an unfavourable balance of trade with the United States and a favourable balance of trade with Great Britain.

As I say, last year the Minister of Trade and Commerce (Mr. Howe) brushed aside the importance of the acceptance of foreign currency, and I was somewhat surprised that the minister of finance also brushed it aside. I quoted to him from the *U.S. News and World Report* the forecast of the legislation the United States was going to introduce and the minister of finance said that they were wrong, that the United States was not going to do that. But they have done it. It is being done now, and we are faced with a situation which the Minister of Trade and Commerce himself admits is affecting our sales of wheat.

It seems to me that the great problem we face today is that of getting surpluses to the people who need them. I think the United States has given a great deal of leadership on that question. First of all, they gave it under the Marshall plan. We did not criticize the United States when they brought down the Marshall plan. Why did we not criticize them then? Because at that time the United States was making dollars available and Canada was getting some of those dollars. But today the United States is not making dollars available but goods. In other words, the United States is going to make sure that the program they now have to dispose of surpluses does not enable Canada to make use of it to dispose of its surpluses as the Marshall plan did. The United States has now instituted a plan making it possible for that country to dispose of its surpluses, and the United States is saying to Canada: You look after your own job; we are not going to do it for you this time.

It is about time we woke up to that fact. If the United States can do it there is absolutely no reason why Canada could not also dispose of a large percentage of her surplus agricultural products in return for sterling. It is time for the government to quit sitting on the surpluses waiting for a policy to hatch. It is interesting to remember that when we were discussing the international commodity clearing house, a subject in which the Minister of Agriculture (Mr. Gardiner) is much interested, a subject in which the Canadian Federation of Agriculture and the international federation of agricultural producers are very much interested, it was turned down. I am going to be very careful in what I say this time. I am not going to blame anybody. In any event, it was turned down.

But the policy of Canada then was that Canada would look after her own surpluses, that we could create a reserve of certain foods which would take care of crop failures. If it is the policy to maintain a reserve of agricultural produce in order to take care of a short crop year and in order that we may play our part in helping to feed the hungry people of the world, undoubtedly that policy is in the interests not only of the people of Canada but also of the people of the world. If that program is being maintained in the interests of the Canadian people and in the interests of the people of the world why should the farmers be the ones to have to pay all the storage charges? Surely the cost of storing these reserves should be borne by the people of Canada as a whole and not by the farmers alone.

The minister pointed out that we had excess storage charges over 1952-53 of 8½ cents per bushel of wheat. I say that 8½ cents should be paid by the government. If that amount were added to the $1.56 it would mean that the farmers would at least be receiving $1.64⅓ which, while not good, is certainly better than $1.56. I think there is every justification for insisting that the 8½ cents for storage charges should be paid from the federal treasury instead of by the farmers.

Last year we moved a motion urging advances against grain on the farms. I realize fully there are certain difficulties involved in that proposal, but on the other hand it would have been a tremendous blessing to the farmers last fall if they had been able to get advances against grain in the bin in exactly the same way as is done in the United States. Again I say if the United States can do it there is no reason why we cannot do it. Certainly there is a problem

and it is not an easy problem, but surely we are not always going to pick the easy thing to do. Is it not time, in order to solve some of these problems, that we do it even if it has to be done the hard way? We are not trying to solve them in Canada today.

Last week I spoke on support prices. I pointed out that the farmers had paid for every bit of support they are getting today. They paid for it during the latter part of the war when they accepted a ceiling on the prices of their farm products, and when they accepted less than the world market price for wheat at that time. You might say they paid a premium on the insurance that they hoped to get in the future.

Now, it is true that grains are not under the Agricultural Prices Support Act. If grains were included under the Agricultural Prices Support Act, the support price would be in the neighbourhood of $2.27 per bushel if the base year 1943-45 were used. The interprovincial farm union asked that grain be placed under the Agricultural Prices Support Act. The interprovincial farm union council asks for the adoption of the two-price system. The Canadian Federation of Agriculture also asked that the sales of wheat be placed under the two-price system, that is the domestic price should be the maximum price under the international wheat agreement and the export price should be the contract price or whatever price may be reached. We feel that the two-price system would give the farmers a good deal of security. We have supported that idea.

As a matter of fact we were supporting the two-price system for a number of years before the interprovincial farm union ever mentioned it in their brief. Every time representatives of that organization came to Ottawa we asked what they thought of the two-price system. Now, they have it in their program. I believe the idea is absolutely sound. The hon. member for Assiniboia (Mr. Argue) does not like the idea. He says that his group insists upon 100 per cent parity. If the hon. member for Assiniboia is so insistent that you have to have 100 per cent parity, I cannot understand why he called the brief of the Canadian Federation of Agriculture an excellent brief because the Canadian Federation of Agriculture insisted that parity prices should not be above 85 per cent of parity. They condemned the idea of 100 per cent parity, yet the hon. member says that is an excellent brief. In one breath, therefore, he says we must not have 100 per cent parity, it is a wrong idea, and then in the next breath he says we stand for 100 per cent parity. I should like to know how he reconciles the two statements.

Mr. Argue: May I answer the hon. member's question now?

Mr. Quelch: Yes.

Mr. Argue: As I said, I believe in a policy of full parity prices, and anything that is a step towards that objective is good. It was for that reason I referred to the federation of agriculture brief as being excellent, because it constituted a very long step forward towards the objective of parity.

Mr. Quelch: The hon. member certainly did not think that answer out very well. I want to make it clear that the federation of agriculture is not making this suggestion as a step towards what the hon. member advocates. Let me repeat what the brief says, and it is to be found on page 10:

> We recommend further that the board—

No, that is not the page.

Mr. Knowles: The hon. member did not think that one out very well.

Mr. Quelch: I find this on page 7 of the brief:

> We do not believe it is sound or practical to look to a price support program to guarantee the farmer prices which represent a full fair (or parity) relationship for each individual product. The result of such 100 per cent guarantees, if attempted, would inevitably be a high degree of government direction and control over agriculture. We do not believe—

This is probably the reason the C.C.F. would like to support it.

> —farmers wish to submit to such extensive government participation in their business, nor do we believe it is reasonable to ask the government to undertake such a commitment.

I think another reason the federation feel that way is that, after all, whatever program you establish you have to get public support behind it. If you try to get too high prices you will turn the public against you and there will be little chance of success. On the other hand, the two-price support program can be justified whatever way you look at it. The labour unions of this country have already endorsed the idea of agricultural prices in this country being tied to the price of other products. I believe we would have the support of labour behind the idea that the price of farm products be set at parity with the price of other products. Why would labour expect to buy farm products at lower prices than the price of their own labour?

The parity price in the domestic market could be justified without any difficulty at all. When you take into consideration that apart from wheat only about 6 per cent of our agricultural products are exported abroad, then by guaranteeing parity prices for the 94 per cent consumed in Canada you

would give the farmers a very large percentage of parity. Wheat, of course, is different. I know that it varies, but suppose we take the figure of 20 per cent of our wheat being used in Canada and 80 per cent exported abroad. The 20 per cent consumed in Canada would be sold then at parity, that is $2.27 per bushel. In so far as the 80 per cent exported abroad is concerned, we have stressed the fact that there should be a reasonable support price. What would be a reasonable support price? I believe a reasonable support price for the exported grain would be the average between the floor and the ceiling in the international wheat agreement, which would be approximately $1.70 per bushel. If you sold 80 per cent at $1.70 and 20 per cent at a parity price of $2.27, you would have a support price of $1.81 per bushel. That is certainly what we consider to be fair, and I think it would meet with the approval of the various farm organizations.

We believe that this price policy, coupled with advances to farmers against grain held in farm storage, would not only help the farmers of this country considerably but would also help to maintain the Canadian economy at a high level.

Mr. A. M. Nicholson (Mackenzie): Yesterday certainly will always be remembered as blue Monday so far as I am concerned, Mr. Speaker. First of all the Minister of Trade and Commerce (Mr. Howe) announced the final disposition of the wheat board stocks and the final net payment to farmers ranging from 6·26 cents per bushel for No. 1 northern up to 16·45 cents per bushel for feed wheat. While hon. members from the west were aware that the sales had not been going as well as had been expected, it was not realized that farmers were to receive such a very small payment.

Then, for the first time, the minister admitted the very serious problem that we now have, and which he had ignored for far too long. He mentioned that during this period the United States surplus disposal program had emerged as one of the chief factors in the international wheat position. Canadian export sales have improved but not to the extent that would achieve the rapid movement we hoped for earlier in the crop season. Then the minister mentioned the triple-barrelled surplus disposal program in effect in the United States, and stated that wheat may be bartered for strategic materials; may be distributed to importing countries for local currencies which are usually left in the recipient country for development or other purposes; or may be given away as a relief measure.

I have noticed that in the publication "Agriculture Abroad" this point that the minister made is mentioned. The issue for April, 1955, in the section dealing with the United States, states that the commodity credit corporation in the United States disposed of commodities valued at $1·4 billion in 1954 and that in 1955 it is expected they will dispose of $2·1 billion and in 1956 $2·4 billion. If we have had trouble in 1954 as a result of the United States policy, it is quite obvious that in 1955 and 1956 we really have trouble ahead.

The hon. member for Assiniboia (Mr. Argue) made reference to the treatment extended to wheat producers in other countries of the world, and pointed out that although Canada is one of the main wheat producers our farmers are receiving the lowest amount paid anywhere in the world. He referred to some figures prepared by the Alberta wheat pool. I have in my hand the United States foreign agricultural circular, F.G. 1355, published on April 8, which sets out figures very similar to those given by the hon. member for Assiniboia. But as these figures are more up to date I should like to take a few moments to give some information concerning the problem with which Canadian farmers are confronted, and to show the prices they receive as compared with those received by farmers in other countries. I shall give, in this table, the name of the country, the price per bushel in United States dollars, and the size of the wheat crop in each country. The information is as follows:

Country	Equivalent price per bushel in dollars	1954-1955 wheat crop, in bushels
Algeria	2.64	44,830,000
Argentina	2.72	275,000,000
Australia	1.41	166,610,000
Austria	2.63	16,700,000
Belgium	2.56	20,800,000
Canada	1.40	293,909,000
Chile	4.50	38,270,000
Egypt	2.18	60,000,000
Finland	3.95	10,000,000
France	2.64	386,500,000
West Germany	2.72-2.83	105,600,000
Greece	2.40	45,000,000
India	1.52	290,900,000
Iran	0.97	77,000,000
Ireland	2.39	15,900,000
Italy	3.05	264,000,000
Japan	2.61	55,700,000
Luxembourg	3.02	1,500,000
Mexico	1.99	30,300,000
Morocco	2.64	45,560,000
Netherlands	1.86	14,590,000
New Zealand	1.59	4,600,000
Norway	3.43	1,480,000
Peru	1.83	6,100,000
Portugal	2.85	27,470,000
Spain	2.73	180,000,000
Sweden	2.35	37,870,000
Switzerland	4.19	9,370,000
Syria	1.54	31,200,000
Tunisia	2.64	22,410,000

Turkey	2.49	180,000,000
Union of South Africa	2.25	19,760,000
United Kingdom	2.30	104,160,000
United States	2.24	969,781,000
Uruguay	2.96	26,310,000
Yugoslavia	2.16	—

It will be noted that while the price for Yugoslavia is indicated as $2.16, there is no figure given for the amount of the wheat crop. The total number of bushels for all these countries I have mentioned is 6,825 million. I would also point out that of all these countries Iran, with a price of 97 cents per bushel, is the only one that pays a price lower than Canada. It produces 77 million bushels.

This interesting publication points out that 96 per cent of the world's wheat is marketed under some type of government control or government support policy. It outlines these different types as:

1. Fixed prices;
2. Government purchase;
3. Guaranteed minimum prices;
4. Directional prices;
5. Deficiency payments;
6. Guaranteed price ranges;
7. Indirect price supports;
8. Pre-contracting prices;
9. Communist state planning.

I admit frankly that the Canadian government cannot be accused of not doing something. I think the mere fact that we have a wheat board is a factor that all members from wheat producing areas appreciate. If we did not have the wheat board I am convinced all cereal prices would be a great deal lower than they are. However, I do not think we are unreasonable in asking that Canada should view the problem of wheat production and wheat marketing as have the other countries I have mentioned.

There is an interesting section in the document I have before me concerning the policy in France. That country is now in a position where its imports of wheat from now on are to be eliminated. They are paying a very large amount each year to compensate their home producers in order to increase their production of wheat.

I suggest the Canadian wheat producer should not be held responsible for the fact that in the year immediately following the war, particularly in Europe, there has been a mad race to increase the production of cereals so that, in the event of war, they would not be dependent to any great extent upon shipments from across the Atlantic. It so happens that Canada feels the impact of this policy to an extent greater than any other country.

In deciding that those who produce wheat should have something like parity price, I think the United States authorities are acting in the best interests of the American people. I have been interested in the argument which has been taking place between the hon. member for Acadia (Mr. Quelch) and the hon. member for Assiniboia (Mr. Argue). The hon. member for Acadia has just finished saying that parity price for Canada would be something like $2.27. That is, if we take into account the cost of farm machinery, fuel and all other factors entering into production, and balance them with the costs of medical services, legal services and all the other services in Canada, those who produce wheat should be getting something like $2.27. Then he went on to say that the world market at the moment will not stand that sort of price.

I think we must admit frankly that our standard of living in Canada is a good deal higher than that in many other countries to which we have been exporting foodstuffs, and we cannot expect our customers to buy wheat from us at a price higher than that at which they can buy it in other countries, particularly when they are in a position of being able to remind us that our standard of living is a great deal higher than theirs.

They want to buy wheat in other markets; so we will say for the sake of argument that the price in the world market is $1.70. The hon. member for Acadia said the farmer should not be satisfied with $1.70, but that he should have something more, that in fact he should have $1.81. It does not make sense to me to argue that a price of $2.27 is a fair one, and that Canadians should pay that price for wheat used in the local market, but that we should sell the balance in the world market for $1.70, plus 11 cents, and that the farmer should be satisfied with $1.81.

If it cost the farmer $2.27 and he had to sell 80 per cent of his production for $1.81, then inevitably only one result can follow, and that is that he will go bankrupt. Of course he would not go bankrupt as quickly as he would if the price were somewhat less than $1.81. That would drag out the process a little longer. But if you are going to cut the tail off the dog, it does not matter very much whether you cut it off in short pieces, an inch at a time, or whether you do it in one operation.

Mr. Castleden: It is tougher on the dog.

Mr. Nicholson: This business of deciding that the farmer should have a price less than what would give him a fair share of the national income does not really make any appeal to me. I realize that we cannot fix an arbitrary price and decide that we shall

produce unlimited quantities of cereals at that particular price regardless of our ability to consume them or to sell them. But that again becomes a national problem. The Minister of Finance (Mr. Harris), in appointing his commission to review the problems of the Canadian economy, should include such a person as Professor Baker of the University of Saskatchewan, who has recently completed a study in Saskatchewan dealing with some of our fundamental problems. Certainly, there should be someone on this commission who will approach the problem from the point of view of agriculture.

As I said previously, we have opened up large tracts of country in Canada on the assumption that we would be able to sell food in the world's markets. If, through no fault of ours, we are unable to sell the products there, it becomes a national problem, and it is not unreasonable to ask the federal treasury to use funds to see that, as long as we continue in the business of producing cereals, those who produce them will have a parity price or a fair price for wheat, oats, or barley that can be worked out mathematically as a fair price in comparison with the price of fertilizer, gasoline, or implement repairs.

I might say that as long as I can remember we have had as part of our Canadian policy the maintenance of tariff barriers which protected an important sector of our Canadian economy. The last careful study that was made on the impact of the tariffs was made by the late Norman Rogers some years ago. The Minister of Agriculture (Mr. Gardiner) will be familiar with the brief which was presented by the government of Saskatchewan to the Rowell-Sirois commission outlining what the tariff policy has meant in terms of revenue and expenditure in the different provinces. For example, Prince Edward Island benefited to the tune of $5.32, but they paid out $23.20 per person per year because of tariffs, so they have a net loss of $17.88. Nova Scotia had a gain of $18.50, but a cost of $30.78, or a net loss of $12.28; New Brunswick benefited to the extent of $19.91, but the cost was $31.58, or a net loss of $11.67; Quebec had a gain of $46.23, a loss of $35.20, or a net gain of $11.03; Ontario had a gain of $64.32, a cost of $49.17, or a net gain of $15.15; Manitoba had a gain of $28.44, a loss of $41.69, or a net loss of $13.25; Saskatchewan had a gain of $3.55, a loss of $31.71, or a net loss of $28.16; Alberta had a gain of $11.22, a loss of $38.15, or a net loss of $26.93; and British Columbia had a gain of $32.03, a loss of $54.36, or a net loss of $22.33. It is pretty obvious that only two provinces of Canada are in a better net financial position because of tariffs. But the people of the ten provinces have accepted tariffs as the price they pay for the development of Canadian industry with a view to providing employment for the maximum number of Canadian people.

If during the past 50 years it was decided that all the people of the country should support the manufacturing industry by tariff devices, until we decide that there is no future for grain exports in Canada, public funds should be used to see that those who are engaged in this necessary industry have a fair share of the national income.

I should like to remind the house again of the farm net income report, 1954, published by the Minister of Trade and Commerce (Mr. Howe), which shows that the net farm income has dropped from $2,154 million in 1951 to $1,125 million in 1954, a drop of $1 billion. This is one major factor that has caused such widespread unemployment in Canada, and when one narrows down the impact of those figures to the province of Saskatchewan, where we had a drop from $566·5 million to $126 million, one finds out what happened before we had the disastrous damage from rust last year. This is the direct result of Canada being unable to sell in the world markets the amount of grain that we would have been selling if the other governments that I have mentioned had not been embarking on policies which paid their wheat producers in some instances two or three times as much as they would have paid for a better sample of wheat shipped from Canada.

Therefore, Mr. Speaker, in concluding these remarks I should like to make the following suggestions. First, Canada should embark on a school lunch program with a view to using some of our surplus cereals and milk. I am sure there cannot be any argument about it that a school lunch of bread, butter and milk would result in a few years' time in Canadian children enjoying a good deal better health than they have now. The second proposal is that we must maintain maximum consumption of our foodstuffs in Canada. That is something that the Canadian government can do, apart altogether from the world markets. There is no problem whatsoever in getting into the stomachs of hungry Canadian people the maximum amount of cereals and dairy products that I have mentioned.

We have a very large number of people on old age pensions, on blind pensions, and on mothers' allowances in Canada who cannot possibly, out of the small cheques they receive, buy an ample quantity of many of these foodstuffs. In dealing with the problem

the government must find ways and means of making available maximum quantities of foodstuffs.

My third point is this. We must also participate in feeding hungry people all over the world. We cannot find fault with the United States, which has large surpluses on hand, making available to hungry people food from this source.

In the fourth place, there must be no reduction in production so long as there are hungry people in our own country and in other countries. The United States should even carry on a greater campaign in helping to feed the hungry people of the world. I might remind the house that during the first war and the second war the United States sat on the sidelines for a long time, while the people of this country, of Great Britain and of other parts of Europe, used up large quantities of their assets. At the end of both wars, the United States finished in a very strong financial position. I remember that during this war I happened to be returning from the north at one time when some 50 Americans were returning from a construction assignment in northern Canada. The lowest paid man in the party had been drawing $400 a month and his board and heavy winter clothing. They all had been working on a construction project which was completed on a cost-plus basis. Since the war, Canada has taken over all these establishments and we paid our United States friends on the basis of what these establishments cost them. When I consider that those who went north during those years spent very large sums of United States funds, which were recently reimbursed, I think there should be no trouble whatever in seeing that those who are engaged in the production of food, which in wartime or in peacetime is a weapon which should have high priority, receive their fair share. But unfortunately in world war I and in world war II the farmers, whether they lived in the maritimes, in central Canada or in the west, received a great deal less than their fair share. In both wars, controls were imposed as soon as there was a possibility of our running short of food and, before the farmers were able to cash in and take advantage of the fact that now they might be able to pay off their debts, we had controls which made it very difficult for farmers to take their fair share of our country's production. So I suggest that the government of this country must keep step with the other countries I have mentioned which are seeing that those who are producing cereals in those countries have a much better break than their Canadian cousins are getting.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I should like to say just a brief word. I know a little about wheat; in fact, I passed my examination on testing wheat. I have worked on a farm in Saskatchewan and have been around there a good deal, and now I am living in a place that is called the bread basket of the world. I was just wondering what good all of these speeches would do towards raising the price of wheat. According to some people on the other side the government is doing nothing—

Mr. Harkness: That is right.

Mr. McIvor: —the government is doing nothing and is just sitting indolently by. Yet the Minister of Trade and Commerce has said that the government had its trading agents in a great many places throughout the world and they were on the job trying to sell the wheat. The only reason why I get up is to ask a question. Perhaps the Minister of Agriculture will tell me, is there anything that has been said or will be said that could not be said on the estimates?

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I was tempted to enter the debate yesterday when the hon. member for Mackenzie (Mr. Nicholson) was justifying the building of the South Saskatchewan dam on the ground that the Americans were letting off too many atom bombs, and I could not quite see the connection. After I heard some of the weird and wonderful arguments that were advanced today for parity wheat prices, although I am not a wheat farmer, I have the temerity to put in a few words. I have never in my life heard so much undiluted bunk as I have heard about wheat since I came to this house a few years ago, mostly from the so-called wheat experts from Saskatchewan. It seems to me that the great trouble in the world today is that the United States has caused this terrible wheat headache by her foolish parity price policy which has resulted in this vast accumulation of unsold wheat. This is the direct cause of our own Canadian problem. Some of our friends opposite are wanting us to follow in the same footsteps as the United States, so that we can confound the confusion which now exists in the world and double the pain of the headache.

As the hon. member for Assiniboia (Mr. Argue) was talking about his plan for paying the farmers of Canada $2.27 for each and every bushel of wheat that is produced and then selling that wheat on the world market at world prices, he forgot to put in one detail. He forgot to put in the detail of what he was really advocating, that is a subsidy by the treasury of Canada to the wheat farmers of Saskatchewan, a subsidy which, according to

my calculation, would amount to between $300 million and $400 million a year. I am not so sure that even some of the gentlemen who sit opposite me and who have those large wheat farms in Saskatchewan would be so enthusiastic about paying that subsidy of $300 million or $400 million, because I heard them complaining just a few weeks ago that income taxes were already too high.

I must say that, as between the plans I have heard here today, the one suggested by the hon. member for Assiniboia and the one suggested by the hon. member for Acadia—while I do not very often agree with Social Credit—I certainly think that the one of the hon. member for Acadia at least makes some sense, while the one of the hon. member for Assiniboia makes no sense whatever; it makes complete and utter nonsense. However, when I hear my Social Credit friends chiding some of us for not having voted last year for their want of confidence motion in the government I am a little confused, because only a week or so ago in this house we heard most indignant protests from exactly the same quarter of the house explaining why they had voted against family allowances in 1944. They said they had voted against family allowances because otherwise they would have been voting confidence in the government and according to them that would have been an unforgivable crime.

However, I should like to dwell for a minute on this matter of accepting soft currencies. I believe that to sell our wheat we have to take the price for our wheat that the world is willing and able to pay. The longer we shrink from that basic fact the worse the problem is going to get. The sooner we face it, the better for all concerned. But when I hear some of my hon. friends in the right-hand corner talking about taking soft currencies, in payment for our wheat, I think they had better take a good long look at what they are talking about. I for one have been an advocate for many years of accepting payment for our wheat and other products in sterling and other currencies of our customer countries, but only on one condition: provided that those currencies are not blocked currencies, as they have been up until the recent past in almost all of the countries concerned; and provided also that we do not simply take those soft currencies to have them pile up in the back yard, but rather use those soft currencies to buy goods or properties which the customer countries have for sale.

Mr. Quelch: That is what I advocated.

Mr. Philpott: In this connection I cannot refrain from putting in a word for my very good friend the hon. member for Lethbridge (Mr. Blackmore) who, I know, is the recognized money authority in the party opposite. I studied his plan last year with great care as to how he would provide an unlimited amount of currency so that our customers could buy our wheat. The plan, as I understood it, was that anybody in a foreign country who wanted to buy Canadian wheat would be provided with the proper amount of Canadian currency so that he could buy the Canadian wheat, and the net result of the transaction would be that the foreign customer would have the wheat and Canada would have the currency which she herself had printed in the beginning. According to my way of thinking, even for a Social Credit monetary theory, that is really going a pretty long distance indeed. I have heard also from directly opposite today pleas for feeding the hungry of the world. That is all very well. If my hon. friends are really anxious to help feed the hungry of the world, as they represent a large area of the wheat-growing district of Saskatchewan, let them hop to it. There is a large surplus of wheat there. Let them get busy and give Dr. Lotta Hitschmanova of the Unitarian Service Committee of Canada some of this grain surplus they have on their farms. I am sure she will be glad to see that it is distributed in foreign countries.

Mr. Speaker, I am sometimes sorry that we ever had in this country the government-run wheat board. I sometimes think that it would have been better if this country had not had the government wheat board with its members appointed directly by the government, but had had some kind of wheat marketing system similar to the fruit and vegetable marketing system in British Columbia where the machinery is under the direct control of the farmers themselves. It seems to me that the very fact that we have a government-run wheat board leads to some of the glaring fallacies in the thinking of members sitting in the benches directly opposite me. The members directly opposite me seem to think that there is some unlimited fund of public money and that all we have to do is to dip into this public barrel and dish it out to the wheat farmers of Saskatchewan or anyone else that one can think about. But let us be under no illusion. The government of Canada has no money of its own. The government of Canada has only the money that it takes from the taxpayers of Canada. If we are being honest about this scheme for the total distribution of wheat on a parity price system, let us come right out and say that what we are asking for is a subsidy of some $300 million or $400 million a year taken from all of the taxpayers of Canada for the benefit of some of the taxpayers of Canada.

I think that is all I have to say, Mr. Speaker, except to say that I for one believe that the farmers of Canada are entitled to a fair share of the national income. However, I do not believe that the farmers of Canada will ever get very far toward getting a fair share of the national income of Canada if they go on such ridiculous and impossible paths as are pointed out to them by the false prophets from some quarters in Saskatchewan.

Mr. Nicholson: I wonder if my hon. friend would permit a question, Mr. Speaker? I wonder if he would recommend that Canadian farmers be permitted to buy all their goods in the cheapest markets? If they are going to be obliged to sell their products in the world market without protection, would he recommend that they be permitted to buy everything they want on the open market?

Mr. Philpott: I shall be extremely glad to answer that question, Mr. Speaker. If you boys ever become really successful missionaries like Billy Graham, and if you ever convert the big manufacturers of Toronto and Montreal to get in on your plan of parity prices, we are going to have parity prices for Ford automobiles, reapers, combines, vacuum cleaners and everything else. You boys have an idea which is 1,000 per cent more false and more offensive protection than the most ultra high-tariff Tory ever thought of in his whole life.

Mr. McCullough (Moose Mountain): Mr. Speaker, it is my intention to speak on a different matter, and I should like to know whether there are any other hon. members who want to follow up on this subject.

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to say just a word on this whole question today, not for the purpose of launching into a long dissertation but more for the purpose of correcting certain errors into which some people have fallen in their thinking. I am also going to have to make an admission today, Mr. Speaker, but it is an admission that does not pain me at all. Yesterday the Minister of Agriculture (Mr. Gardiner) drew to my attention the fact that when election campaigns are being fought in the provinces, repercussions of them can be felt in this house. I bow in humble acknowledgment of his rightness in that assertion.

It seems that the most political group in the house today are the members immediately to my right. I do not know whether they feel that they are fighting for their lives or that they have their backs to the wall, or what it is, but they seem to feel that they must put on a political scrap here every time anything is mentioned. If they would put on their political fights on the basis of fact, then of course we would not mind. But when they stretch the truth in these matters and try to make them appear as something that they are not, we are obliged to take issue with them. I agree with much of what my friend the hon. member for Rosthern (Mr. Tucker) said yesterday. I could not help realizing that he too was speaking the truth.

In speaking this afternoon my friend the hon. member for Mackenzie (Mr. Nicholson) made certain remarks. I think he did so honestly because I give him credit for being honest and sincere in what he says. I do not believe that he would try to mislead anybody. But this afternoon, in the course of his address, he asked how anyone can justify saying that if $2.27 a bushel represents the internal parity price of wheat, the farmers should be asked to take $1.81 which my colleague the hon. member for Acadia (Mr. Quelch) calculated might be a probable resultant of a two-price system under present circumstances. Perhaps the very best answer to my friend the hon. member for Mackenzie is that the interprovincial farm union council have advocated just that because they feel that it is something reasonable and sound, the kind of reasonableness about which my friend the hon. member for Vancouver South (Mr. Philpott) was just speaking. Certainly in our approach to all of these things we must be reasonable. We must know that the people of Canada are the ones who will have to foot the bills in all these things. We must be prepared to accept pretty much what the farmers themselves are prepared to accept as reasonable and sound.

I point out to my hon. friend that that is exactly what they have done. All he has to do is to refer to the submission to the government of Canada by the interprovincial farm union council of January, 1955, and he will find that two-price system—as my friend the hon. member for Acadia outlined it—is advocated by them; and the resultant would be, under present circumstances, exactly what the hon. member for Acadia has outlined here this afternoon.

Another thing the hon. member for Mackenzie asked is this. He asked how long farmers could stay in business if they were asked to accept $1.81 a bushel for their wheat if it cost them $2.27 to produce it. Maybe that was a slip of the tongue. Certainly no one here has suggested that the cost of production is or has been $2.27 a bushel. I would ask who has said that it cost the farmers $2.27 a bushel to produce wheat.

Mr. Nicholson: The hon. member for Acadia said that is the parity price.

Mr. Low: That is the parity selling price. It is not their cost of production. If you consider the heavy crop yields that we have had in western Canada during the past three years, I think that anybody who took the trouble to do a little bit of figuring would see that the cost of production per bushel to the farmers would be considerably below $1.81, which my hon. friend says would be the resultant of a two-price system today. Of course there would be a profit. My hon. friends in the C.C.F. do not like us to call that a profit. They want us to call it income. I do not wish to quibble about it. To me it is a profit. Any time anybody produces something at a certain cost and sells it at something above that cost, he is making a profit. It does not matter what quibbling goes on about it from other people. I merely wanted to point out these things, together with this. The hon. member for Assiniboia (Mr. Argue), who has become the ultra politico of his party, takes delight, I think, in going quite a long way, and certainly not in a restrained way, in attacking everybody in the house because they do not agree with him. Evidently he has set himself up as the authority on wheat and farming in the house. At least, that is the impression one gets in listening to him. I was quite disappointed at the intemperate attack he made on the Prime Minister (Mr. St. Laurent) yesterday—

Some hon. Members: Hear, hear.

Mr. Low: —an attack which I think any of us should hesitate to make on the Prime Minister of this country.

An hon. Member: Uncalled for.

Mr. Low: I am afraid the hon. member is getting a wee bit beyond reason in some of the things he is saying. Perhaps he is puffed up with pride over some of his accomplishments. I do not know. At any rate, he has tried to place interpretations on other people's proposals that are unjustified, and I am going to try to set him right on something he has been saying in connection with our proposal of years gone by with respect to acceptance of some soft currencies in payment for surpluses of Canadian foods. Last year we moved an amendment to the speech from the throne which called for the acceptance of sterling in return for surplus food products shipped to Britain. My hon. friend takes the stand that we moved a trick motion and that is the reason why the C.C.F. voted against it.

I know he takes that position. He does not sit very far from me and it is easy to hear what he says. In fact, he tried to get one of his colleagues to get up and say it this afternoon, but his colleague was not quite prepared for it and of course he did not do so. I am just putting a spoke in his wheel before it is said by some other irresponsible person. The fact is that he has said he believes the only reason the C.C.F. voted against our amendment was that it was a trick motion. I want to read from *Hansard* what his leader said, not about a trick motion at all but about the acceptance of sterling.

Mr. Castleden: I know the hon. member wants to be fair. Will he read the amendment in full?

Mr. Low: Yes, indeed; certainly. The amendment was quoted at page 594 of *Hansard* of December, 1953, by the leader of the C.C.F. party, and it reads:

> We respectfully represent to Your Excellency that the welfare of Canada is dependent upon private enterprise; and that the prosperity and security of all Canadians will be advanced by government policies which will restore markets for primary products and generally promote a high volume of international trade by the acceptance of sterling in payment therefor.

When the leader of the C.C.F. party spoke and repeated the whole amendment he referred first to private enterprise and indicated he could not vote for the amendment.

Mr. Ellis: That is the most important part of the amendment.

Mr. Low: Perhaps so, but if my hon. friend would just restrain himself for a moment I will make my explanation.

Mr. McCullough (Moose Mountain): Your explanation.

Mr. Low: He explained in the first part of his speech that he could not support our amendment because the phrase "private enterprise" is even more objectionable to the C.C.F. than the phrase "free competition". He went on to say that therefore he could not support the amendment, and at page 595 continued with these words:

> The second reason concerns the question of the acceptance of sterling without limitation.

I pause there for a moment. I want the members of the house to note those words—"the acceptance of sterling without limitation." At no time have we suggested acceptance of sterling without limitation. From the very proposal itself it must be obvious to hon. members who think it through that what we were proposing was the acceptance from Britain of their own currency in payment of their unfavourable balance of trade with us.

Mr. Castleden: That was not in your amendment.

Mr. Low: That is what anybody thinking the matter through or even giving it the most cursory examination would say. In trade with any country you are exchanging a certain amount of goods and services with them on what you hope will be a mutually satisfactory basis. At the end of a cycle or period of time when it comes to settlement one or the other is going to have a balance, and it is the settlement of the balance that is referred to in the acceptance of soft currency or sterling. That was made abundantly clear in the speeches we made supporting the amendment.

Mr. Macdonnell: Would the hon. member permit a question?

Mr. Low: Indeed.

Mr. Macdonnell: Was it not also in order to stimulate and increase our trade with England? Was that not represented as a means whereby it could be increased?

Mr. Low: Yes indeed.

An hon. Member: The new coalition.

Mr. Low: But the settlement would certainly be at the end of a year or cycle, and between the two countries the acceptance of sterling would simply involve the amount of the unbalance of trade. Certainly, as the hon. member for Greenwood (Mr. Macdonnell) has said, it was proposed to the house as a means to help to stimulate trade with Great Britain and to restore Canada's place as a great natural market of Great Britain. Therefore anybody who tries to interpret what we propose as the acceptance of sterling without limitation simply shows he has not thought the matter through and is trying to place some sort of interpretation on it which might make it possible, in a strained manner, for the C.C.F. to say that the reason we could not accept it was it was proposed without limitation.

Let me set the hon. member straight. If the matter has not been set straight thus far, let me make it clear that what we have proposed with relation to the acceptance of soft currencies in settlement of our balances is not without limitation. In the first place, it is limited to the amount which we would be prepared to accept in return for our surpluses. Second, it would be limited, without our doing anything about it, by the amount of the balance that would be due us from the other country after we had balanced off the exchange of goods and services. That is the story and it should be perfectly clear. So far as some explanation of the reason why they voted against the acceptance of sterling is concerned, the leader of the C.C.F. has made it clear that they did not even accept the second suggestion because, on the occasion to which I have referred, he went on to say:

> I quite agree with the Leader of the Opposition when he says he does not think that the Chancellor of the Exchequer of Great Britain would accept a proposition of this description.

If you read what the Leader of the Opposition (Mr. Drew) said, he explained that Great Britain would not be prepared to accept a proposition of that kind because, he said, they had had some experiences in India and other countries that were unfavourable. Shortly after that time I had a chance to have a chat with the private secretary to then Prime Minister Churchill, his own son-in-law, here in the city of Ottawa. He said to me then that he saw no reason whatsoever why that policy could not be adopted if acceptance of sterling was to be limited within the amount of the unfavourable balance that Britain had with Canada. He said he saw no reason why we could not adopt that policy, and that they were interested in it. That was the position he took.

It seems to me we have missed a very valuable chance to stimulate the kind of trade we ought to be having with a number of countries, such as I suggested yesterday, for instance, with Israel, Sweden, Japan and the other countries with whom we have to do business or want to do business. It could be financed internally, without any tremendous expansion of currency, as the hon. member for Vancouver South (Mr. Philpott) suggested. We do not advocate an unlimited or uncontrolled expansion of currency at all. We want it strictly limited to what we can absorb internally. I thought I should make that clear, Mr. Speaker, and I hope I have succeeded.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I feel I should say a word about selling wheat abroad for local currencies. It has been assumed by several speakers that we could sell wheat to Britain for sterling and use that sterling to buy goods for Canada or use it to pay our debts in other parts of the sterling area; that is not the situation. If we buy goods for sterling, we buy it under a program that has to be worked out with the chancellor, which limits the use of that sterling. Sterling is not freely interchangeable. It can only be used for certain purposes. If it were true that we could sell for sterling and use that sterling as we liked and anywhere we liked, we would have no objection.

Mr. McCullough (Moose Mountain): May I ask the minister a question? Could not such credits be used in the sterling areas?

Mr. Howe (Port Arthur): No, not under exchange control rules in the United Kingdom.

Mr. Fulton: Even their use in the United Kingdom is restricted?

Mr. Howe (Port Arthur): Yes, even their use in the United Kingdom.

Mr. Macdonnell: If it were accepted in the way the minister says, if it were possible to use that sterling anywhere, then it would not be really acceptance of sterling but would be the acceptance of convertible currency and, in effect, getting our own dollar money.

Mr. Howe (Port Arthur): That is true. It has been assumed that sterling is convertible anywhere in the sterling area, but that is not the case. When we buy goods in Britain we convert dollars into sterling to pay for those goods. If we had sterling in Britain which we had accepted for wheat which could be used for that purpose, we would be very glad to have that sterling. The United States is selling for foreign currency with this proviso, that they leave the foreign currency in the country and use it for certain programs which are usually give-away programs. That is what the United States means by selling for local currencies.

The United States is a powerful country with tremendous revenues, and it is able to do that. In Canada, we feel we have done a good deal in assisting our customers abroad, since the war ended, but we believe we have gone about as far as we can in that direction.

Mr. Quelch: Will the minister permit a question?

Mr. Howe (Port Arthur): Just a minute; let me explain this. I did not interrupt you. Selling for local currencies means to us the lending of money to the country without interest and without a due date; that is the real effect of accepting soft currency for Canadian dollars. Now, we have made loans to countries to help them restore their equilibrium. We have made loans to Britain, France, Belgium, and a number of European countries. I do not remember all of them. We did that, but we had a due date on the loan, and we had a rate of interest fixed. If Britain came to us and said she required help in that direction, we would certainly sit down with them and look at the problems. Britain has never asked us to send exports over there in exchange for sterling, the purpose being to freeze the sterling and create a liability against Britain with no due date and no interest charged. I doubt if the British chancellor of the exchequer would welcome a transaction of that kind.

[Mr. McCullough (Moose Mountain).]

It has been suggested that it is Canada's duty to balance her accounts with the United Kingdom. I doubt if any country that is shipping raw materials in great quantities, and is the principal supplier of certain raw materials, can ever hope to balance her account by purchasing manufactured goods. I doubt if that is possible. Nevertheless Britain, by trading with Canada, by trading with the United States and by trading for dollars in various parts of the world, has been able to accumulate dollars. The dollar and gold balances of the United Kingdom have risen very considerably in the last two years; that is world trading. It is a sort of fantastic theory to suggest that Canada balance her accounts with other countries by accepting sterling. I do not believe it would be acceptable either to Canada or the recipient countries, at least not to many of them.

It has been suggested that Canada was sending out a cry of despair when I made my announcement; that is not the case. We are selling our share of wheat, I believe. Hon. members are apt to look at statistics on exports and refer to them as statistics on sales. We never disclose our sales position, but I may tell you that the sales position is considerably better than the sales position of a year ago. Last year was referred to as a very poor year for wheat. In the early days of the wheat agreement we were reluctant to take a commitment to deliver any more than 210 million bushels. Other countries entered into the agreement, and in order to help out we raised our commitment to 233 million bushels. At the time we were very doubtful whether, year in and year out, we could export that much wheat.

How much wheat did we export last year? We exported 255 million bushels, which is 22 million bushels more than the commitment we were willing to take under the international wheat agreement. The export figures for April, May and June will emerge, and by the end of July we will have a fair picture of Canada's position for the year. I can say it will be a better year than last year. It depends on sales between now and the end of the crop year to determine just how much better the picture will be, but still I am not at all discouraged about the prospects for this year as an export year in wheat.

Of course it has been a good export year for coarse grains. We have been able to dispose of our coarse grains as they have been received, and we do not regard them as a selling problem at the moment.

Mr. Fulton: May I ask the minister a question? Am I correct in my understanding of his remarks earlier this afternoon, that if we sold wheat to the value of £100 million sterling and wanted to use that sterling to purchase commodities in the United Kingdom, there would be restrictions on the commodities we might purchase with that sterling?

Mr. Howe (Port Arthur): Yes, that would be the case if we undertook to accept sterling.

Mr. Macdonnell: In the United Kingdom?

Mr. Howe (Port Arthur): Yes.

Mr. Macdonnell: We could not use it in the United Kingdom?

Mr. Howe (Port Arthur): Not if it were a sterling transaction. If we made it a dollar transaction, we could. That is what we do, as a matter of fact. We sell wheat for dollars and we can convert the dollars into sterling and buy what we like.

Mr. Fulton: But if we accept sterling, then it is restricted sterling?

Mr. Howe (Port Arthur): Yes, it is restricted sterling.

Mr. Quelch: Does that not depend upon the agreement? The United States are spending the soft currency they accept in the countries from which they accept that currency.

Mr. Howe (Port Arthur): But for certain agreed purposes. The program must be a relief program, or a program that has been agreed upon as being beneficial to the recipient country. There is no market, except where currencies are convertible, on which the United States can accept local currencies and then buy what they like with those local currencies and ship it where they like. It is not that kind of world.

Mr. Quelch: Congress laid down wide terms under which that currency can be used. They are very wide, far beyond what the minister has said.

Mr. Howe (Port Arthur): Only for relief, or some other purpose previously approved by prior agreement with the recipient country.

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I do not propose to become involved in the argument concerning the acceptance of sterling, nor shall I discuss any of the intricacies of the parity price system about which we have heard so much in the last hour.

On April 28 I made a speech lasting about 30 or 40 minutes during the debate on the budget, and at that time I dealt with the wheat situation. I do not propose today to repeat the argument I offered then in connection with our deplorable wheat marketing situation today.

I believe everyone in the house realizes that the situation of the western farmers is rapidly becoming serious. Their cash returns last year from the sale of grains were down to the extent of $350 or $400 million from what they were the year before, and it is inevitable that they will be down still further in the receipts from the last crop year. The reason is clear. Last year's crop in the western provinces was estimated at only 274 million bushels, and most of the wheat was of low quality. The price is down, and the net result of all this is that the amount of money the farmers will receive from marketing that crop—that is, the money they will receive this year—will be less than they got last year.

Therefore their cash position will be bad indeed. Combined with this is the flood situation in Saskatchewan, as well as the very wet conditions in Alberta and in parts of Manitoba. The result probably will be that a large acreage normally seeded to wheat and coarse grains will not be planted at all.

All these facts are known by the farmers in western Canada, and they are greatly worried. They are not greatly concerned with whether we can exchange wheat for sterling or for anything else. Their concern is with the wheat on hand, the surplus that has been piling up and which must be disposed of. Their concern is that this wheat must be sold so there will be room in the elevators for the crops they will produce in the coming growing season; that is, those who are going to be fortunate enough to produce crops.

They are far from satisfied with the statement by the Minister of Trade and Commerce concerning the disposal of our wheat. I am sure the statement he made yesterday will cause great consternation, particularly with respect to the final payment the farmers will receive and the further point that his statement offered them no hope. He did not indicate that the situation will be any better this year than it was last year.

The minister did say that the sales position is better this year than it was a year ago, but he did not say how much better. Let me point out that it would need to be a great deal better if it is to make any appreciable improvement in the situation now existing. In his statement of yesterday the minister said:

> The wheat board and the government expect, and are fully prepared, to deal with competition in world wheat markets. The record shows that we have met this competition most effectively. Canada has retained a high proportion of commercial markets throughout the world.

But I submit that statement does not give comfort to the farmers in western Canada. The minister can say as often as he likes that he thinks we have maintained our position in commercial markets; but what the farmer wants is to be able to take the grain to the elevators and get cash for it to pay his ordinary living expenses. He is not going to be able to do that unless a great deal of the grain now in the elevators is cleared out.

I asked the minister this question yesterday:

> What steps has the government or the wheat board taken to meet this competition in world wheat markets of which he speaks?

The minister replied:

> Very aggressive selling in every world market; we have agents in every world market. I believe that considering the fact we are selling our wheat for cash and others are giving it away, our position has been very well maintained.

What does it tell any farmer in western Canada, what does it tell any member in the House of Commons, when the Minister of Trade and Commerce says, "Very aggressive selling in every world market; we have agents in every world market." So long as the wheat is not being moved in sufficient quantities to meet the needs of the farmers in western Canada, then I say the minister's answer is no answer at all. It seems to me that at this time he should go into more detail in telling the house what measures the government is taking or proposes to take to dispose of the wheat we have on hand. The general statement that we are conducting very aggressive selling methods means nothing at all, and it does no good.

It seems to me the minister and the government owe it to the farmers and the people of western Canada generally to take them into their confidence to a greater extent, and give something definite by stating what they are doing and what they think they can do to sell this grain.

Mr. Macdonnell: Mr. Speaker, before the hon. member for Lethbridge proceeds to speak, I wonder if I might be permitted to ask the minister a further question. I should like to come back to the question of selling goods for sterling in England. It comes to me as a tremendous surprise to be told that if one sells goods for sterling in England, the use of that sterling in England—that is, in Great Britain—can be restricted. That comes to me as an entire surprise, and I am wondering if I understood the minister correctly.

I can understand that sterling might be restricted so far as its use anywhere else in Europe was concerned. But with sterling received in transactions for goods bought in England, on deposit in English banks, to say the use of that is restricted in purchasing goods in England comes as a surprise to me. Did I understand the minister to say that?

Mr. Howe (Port Arthur): Yes. If a Canadian living in the dollar area wishes to sell goods for sterling, unless there is an arrangement with the exchequer changing the position, he can use that sterling only as the chancellor of the exchequer may from time to time permit.

Perhaps I might be permitted to relate a small example concerning a friend of mine. This person was visiting in England and had a sort of windfall in the form of sterling. He tried to deposit that sterling in a Canadian bank, but the Canadian bank would not have it at all. Finally he gave it to his lawyer, and his lawyer instructed him that he could use it to pay his personal expenses, such as hotel bills and the like. But he was told that if he bought a necktie or a suit of clothes with it he would be subject to heavy penalty.

The use of sterling by people living outside the sterling area is very closely regulated; and to say that we can sell our wheat for sterling and do what we like with the sterling —well, unless there is a prior arrangement to that effect, it just is not workable.

Mr. Macdonnell: Does the minister mean that if I have an account in an English bank I cannot write a cheque on it here to purchase something in England, and have it cashed? I cannot believe that, surely.

Mr. Howe (Port Arthur): It all depends upon where the money came from. If you have an account in a Canadian bank that account would be established by a deposit of dollars. If you wish to trade in England and make a profit, and put that in your bank, you cannot spend that as you like, I assure you.

Mr. Macdonnell: I am talking now about a situation where a Canadian, an individual or a company, has an account in an English bank. How can that be policed?

Mr. Howe (Port Arthur): It will be policed by the bank, for one.

Mr. Macdonnell: There again the case the minister has made seems slightly different. This is a case which may have some special aspects. The money may have been received for some special purpose. I am talking of the ordinary business transaction. A sale is made in England; a citizen outside of England acquires sterling in England and has it in an English bank. The minister says he cannot use that because of certain restrictions. I am not going to pursue the matter further. I am still surprised.

Mr. McCullough (Moose Mountain): I should like to ask the minister a further question.

Mr. Sinclair: Are we in committee?

Mr. Weir: We are not in committee.

Mr. Deputy Speaker: I took it for granted that the house was submitting to these questions by unanimous consent.

Mr. Weir: The answer is no.

Mr. Deputy Speaker: Since there is not unanimous consent we must proceed with the discussion of the motion.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I had not intended to participate in this discussion. It was my intention to say what I have to say on the agriculture estimates, but it seems to me that some things have been said that merit a certain amount of attention.

It must be recognized, Mr. Speaker, that the farmers, the ordinary rank and file farmers on the western plains of Canada, are in open competition with farmers in the United States and in other areas of the world. While this government puts handicaps upon our farmers, the governments of other countries support their farmers with advantages. Therefore it must be obvious that Canadian farmers are on their way to destruction unless something miraculous occurs.

I have several little excerpts which I think I will read for the benefit of the hon. member for Vancouver South (Mr. Philpott) and the others who think that the farmers are asking for something unusually outrageous, and some seem to think that. I hold in my hand the *Wheat Pool Budget* for April 29, 1955. I am going to read one or two little passages which will show the people of Canada just what is what in the world today in respect of wheat. I quote:

> Wheat Supports
>
> Over 96 per cent of the world's wheat crop is produced and marketed under price supports or other forms of official incentive and planning, according to a survey made by the United States department of agriculture.

We seem to think that when the farmers here ask for any kind of assistance they are out of bounds. I continue:

> Such measures are in effect in countries producing 6·5 billion of the world's 6·8 billion bushels of wheat last year, and cover virtually all of the wheat moving into international trade.

That is the wheat with which our wheat must compete, with no assistance at all from our government or from anyone else, with handicaps in every direction in the way of shortage of box cars, marketing quotas and all sorts of things. The farmers in the west, in my constituency and in other constituencies, are trying to keep alive under all these handicaps in these terrible times, with the prices of everything they buy up, with machinery prices going up and with credit restrictions placed on them. I do not see why the Minister of Trade and Commerce cannot visualize this sort of thing. Would to goodness he could be out there on a farm for 15 years so he could learn something about the realities of farming, instead of sitting idly here and listening to other people's comments. I do not want to be too hard on him, but I do not want him to be too hard on the farmers, either.

Let me give another quotation farther down the page:

> In most cases, including France, the United States and Argentina, this involves an export subsidy.

That refers to the assistance. The comment is made:

> It should be noted that in Canada no such subsidy is paid on exports.

Let the minister face that set of circumstances as a businessman. He makes beautiful, plausible speeches here that are just as false as falsehood itself when applied to actual reality.

Let me read another quotation from the Alberta *Wheat Pool Budget* of April 22, 1955:

> United States Exports Subsidies
>
> Selling American surpluses is an expensive business, reports the international federation of agricultural producers. A study of the cost to the American government and the price it gets in the world market for wheat indicates a heavy loss is sustained on each deal under the United States surplus disposal program.
>
> In the case of wheat sold to Yugoslavia recently, the United States got a little more than $1.80 a bushel in terms of Yugoslav currency. For that same bushel, the cost to the Commodity Credit Corporation amounted to $3.20. That includes the support price it gave for the wheat and storage costs. Consequently on each bushel of wheat sent to Yugoslavia, the United States lost $1.40. This does not count the cost of ocean transportation paid by Commodity Credit Corporation, or the difference involved in accepting local currency instead of dollars.

I sympathize with the minister when he says we in Canada do not feel that we can go any further in all these supports, but what does he think the farmer is doing? He imagines that the western farmer is performing all sorts of miracles, and at the same time he must pay his income tax, all his bills, raise his family, and do every other thing that needs to be done. I absolutely marvel at the unreality of the attitude adopted by the cabinet ministers.

Before I go on with another subject I want to point out this. I have urged now for two years, Mr. Speaker, that the government adopt a policy under which assistance would

be given to the farmers to enable them to build approved storage on their farms, and that when their wheat was stored in that approved storage the government would pay the farmers, or advance a liberal loan of so much a bushel on such wheat. The government said, "We cannot afford it". Well, what about the farmer? I suppose he can afford everything. They take the most preposterous attitude that you can conceive of, these ministers.

Last year I suggested to the Minister of Trade and Commerce that he might take the money out of the Bank of Canada with which to build the storage for the farmers and pay an advance on the wheat. The minister simply replied that the Bank of Canada, poor little thing, could not stand the strain. But the individual farmer can stand it. How do members of the government get sense out of their position? If they would adopt this method of farm storage—

Mr. Deputy Speaker: Order. It being five o'clock, the house will proceed with the consideration of private and public bills.

PRIVATE BILLS

WESTSPUR PIPE LINE COMPANY

The house in committee on Bill No. 283, to incorporate Westspur Pipe Line Company, —Mr. McIlraith—Mr. Applewhaite in the chair.

On clause 1—*Incorporation.*

Mr. McIlraith: Mr. Chairman, when this bill was before the house on second reading, and again when it was before the standing committee on railways, canals and telegraph lines, the point was raised as to the propriety of passing an act to incorporate a company with a clause or provision in the act permitting the construction of pipe lines for the transmission of gas outside of Canada. That point was discussed at some length in the committee. I am now instructed by the persons seeking incorporation to consent to a provision going into the bill which would have the effect of limiting the right to construct the main gas pipe lines to Canada. I accordingly propose, when we come to clause 6 of the bill, to ask one of my colleagues to move an amendment that will accomplish this purpose.

Clauses 1 to 5 inclusive agreed to.

On clause 6—*Power to construct and operate pipe lines.*

Mr. McIlraith: Mr. Chairman, I think the purpose I outlined when we were dealing with clause 1 can most appropriately be dealt with by an amendment to clause 6(a) of the bill. The following words appear in line 29 of page 2 of the bill: "gaseous hydrocarbons". The insertion of the following words—

> provided that the main pipe line or main pipe lines for the transmission of gaseous hydrocarbons shall be located entirely within Canada.

—at that point would accomplish the purpose. Perhaps the hon. member for Provencher (Mr. Jutras) would move accordingly.

Mr. Jutras: I so move.

The Deputy Chairman: The amendment is:

> That clause 6(a) of the bill be amended by adding after the words "gaseous hydrocarbons", in line 29 thereof, the following words:
> provided that the main pipe line or main pipe lines for the transmission of gaseous hydrocarbons shall be located entirely within Canada.

Shall the amendment carry?

Mr. Nicholson: Mr. Chairman, I should like to support this amendment. We could have saved a good deal of time in the committee last week if the hon. member who is piloting this bill through the house and his colleagues had been as reasonable as they are now. I think the amendment is supporting a well-established principle which certainly should have been taken for granted without any long discussion in the committee. I am very glad to support it at this stage.

Mr. McIlraith: I think perhaps I ought to explain to the committee that in the committee on railways, canals and telegraph lines the proposed amendments were on somewhat wider lines. The amendments proposed did interfere with the pipe lines use for the transportation of oil. That is the significance of the attitude taken in that committee.

Amendment agreed to.

Clause as amended agreed to.

Clauses 7 to 10 inclusive agreed to.

Bill reported, read the third time and passed.

CANADA GRAIN ACT

AMENDMENT TO PROVIDE FOR FAIR ALLOCATION OF BOX CARS

The house resumed, from Friday, May 13, consideration of the motion of Mr. Argue for the second reading of Bill No. 22, to amend the Canada Grain Act.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, when the house rose at six o'clock last Friday I was discussing the portion of the bill having to do with the principle of giving the farmers the opportunity of delivering to the elevators of their choice. I had drawn attention to the fact that the Minister of Trade and Commerce appeared to have taken the attitude

that because this bill was contrary to what he termed Liberal philosophy, he would ask members on his side of the house to oppose it. I am wondering if that does not indicate the pattern of opposition to the idea of co-operative selling of the farmers' products. I drew attention to the fact that the wheat board itself could be termed a co-operative effort, as opposed to the competitive method of disposing of the farmers' grain.

In this bill, even though, as I said, I personally favour the co-operative method of disposing of farm products, as I am sure a great many other members do, we are not asking that the farmer-owned elevators be given any priority or any advantage. All the bill is asking is that they be given an opportunity to do business with their patrons on an equal basis with other elevator companies. Under the present circumstances there is discrimination against the farmer-owned elevators because of the fact that they are not able to obtain the box cars necessary to accommodate all the farmers who wish to do business with them.

I should like to point out that they should be given that opportunity not only as a matter of equity, but also because the wheat pools have performed a distinct service to the wheat producers of western Canada over the years. Those who are familiar with the wheat pool system will realize that they have actually saved many millions of dollars by the co-operative handling of the grain for the producers.

I am deeply concerned about the attitude which the government from time to time takes in the matter of co-operatives. I should like to draw attention to several statements that were made by Mr. Staples, who is president of the Co-operative Union of Canada, when he spoke at the forty-sixth annual convention in Saskatoon recently. In referring to the attitude of the government to co-operatives generally he termed it as "no more than half-hearted support". Later on he stated that the government has a tendency—

—to minimize the differences between co-operatives and profit-seeking businesses to a point where co-operatives are forced to fit themselves into a mold which they cannot fit and hold to their true pattern.

Furthermore, he pointed out that this indifference and half-hearted support that the government shows—

—could very easily become outright opposition as it has on occasion in the past.

This gentleman speaks on behalf of the Co-operative Union of Canada, which embraces a membership of over three-quarters of a million persons. His words should be given the weight they deserve. If he is concerned that the tendency or the trend of the government towards the co-operative movement generally is one which may become outright opposition, as it has been in the past—

Mr. Studer: Don't be ridiculous. If it were not for this government you would have no co-operative movement.

Mr. Zaplitny: We have to take into consideration some of the things that have been said by Liberal members in this house on this bill. The hon. member for Swift Current-Maple Creek (Mr. Studer) has just made the statement that if it were not for this government there would not be any co-operatives. That is the kind of statement, of course, we have come to expect from the hon. member.

Mr. Studer: It is true.

The Acting Speaker (Mr. Applewhaite): Order.

Mr. Zaplitny: But the hon. member was not in this house in 1946 or 1947.

Mr. Studer: They were here long before that.

Mr. Zaplitny: I beg the hon. member's pardon?

Mr. Studer: They were here before the socialists were.

Mr. Zaplitny: I was simply trying to enlighten the hon. member, if he will allow me to do so. In 1946 or 1947—I forget the exact year—the minister of finance of that day introduced an income tax act which, if it had passed in that form, would have been instrumental in practically wiping out the co-operatives in this country. If the hon. member had been here at that time he would have seen that it was the C.C.F. members who fought those provisions and who were successful in having them removed from the act, and he would not be making the statements he is now making.

We had to do that, Mr. Speaker, without any assistance at all from the Liberal members from the province from which the hon. member comes. I would therefore advise him to read the debates of the house and inform himself on these matters before making the kind of statement he has made.

That brings me to the point where the hon. member for Swift Current-Maple Creek, in discussing this bill the other day, challenged the mover of this resolution to state who asked him to introduce it. In fact he tried to make quite a big issue out of it, and implied that

the hon. member had no right to introduce a bill unless he was specifically asked to do so by some organization.

If we were to accept that philosophy in this house it certainly would mean tying the hands of parliament completely. All the hon. member needs to do is go through *Votes and Proceedings* and see the large number of motions on the order paper in the name of the government. I doubt if 5 per cent of those motions come as a result of the request of any farm organization or of any organization. The government introduce what they believe should be put on the statute books. Whether he be a cabinet minister or a private member, every hon. member of this house has not only the same privilege but the same responsibility, namely that of introducing in this house what he believes is good for the nation and what is just and equitable. Therefore the hon. member for Assiniboia needs make no apology or explanation to anyone, least of all to the hon. member for Swift Current-Maple Creek, for having introduced this bill which has met with the approval of farm organizations.

Mr. Studer: Have they asked him to present it?

Mr. Zaplitny: Since the hon. member is so anxious to know whether the wheat pools are in favour of it—

Mr. Studer: No—

An hon. Member: Oh, keep quiet.

The Acting Speaker (Mr. Applewhaite): Order.

Mr. Zaplitny: Mr. Speaker, I do not mind interruptions a bit if the hon. member would just make them at a time when I am not speaking, when I am taking a breath. He could get his words in at that time, and then I could hear him. I have no objection to interruptions, but I should like to hear what the hon. member is saying.

I drew attention to the fact that the hon. member wanted to know if farm organizations approved of this bill, and another hon. member across the way—I believe it was the hon. member for Provencher (Mr. Jutras)—wanted to know if the farmers in Manitoba are interested in this bill. For the information of these hon. members I should like to put on record some of the letters I have received.

Mr. Studer: May I ask the hon. member a question?

Mr. Zaplitny: Certainly.

Mr. Studer: What farm organization asked him or the mover of this bill to present this bill to the House of Commons? I do not want to know what farmers are in favour of it. I want to know what farm organizations did that. They say the farm organizations represent the farmers of this country. If those farm organizations speak for the farmers of this country, then which of them asked the hon. member to present this bill?

Mr. Ellis: Which organization told you to oppose it?

Mr. Studer: Let the hon. member answer first; then I will answer.

Mr. Ellis: Who told you to oppose it?

Mr. Studer: I was not elected to vote for socialism.

The Acting Speaker (Mr. Applewhaite): Order. I think perhaps the time has come when I should mention to hon. members that while these spontaneous interruptions are more or less part of our parliamentary practice, they can be carried to excess. I think the hon. member who has the floor should be allowed to continue.

Mr. Zaplitny: Thank you, Mr. Speaker. I want to assure you that I have no objection to questions, provided they are asked in an orderly fashion. The hon. member has repeated his question. I think the interjection made by the hon. member for Regina City (Mr. Ellis) is very much in order.

Mr. Studer: I shall answer the question.

An hon. Member: Sit down.

Mr. Studer: I wish to answer the question.

The Acting Speaker (Mr. Applewhaite): Order. I do not think it really matters how strong our feeling is; the fact is that neither the hon. member for Swift Current-Maple Creek nor the hon. member for Regina City has the floor and they cannot be permitted, at this stage, to ask and answer questions of each other. I would ask the hon. member for Dauphin to proceed.

Mr. Zaplitny: Thank you, Mr. Speaker. I am trying extremely hard to oblige the hon. member for Swift Current-Maple Creek, but he does not give me an opportunity to do so. I think the question asked by the hon. member for Regina City is a more important one, namely who asked the hon. member for Swift Current-Maple Creek or the Minister of Trade and Commerce or the hon. member for Provencher to oppose this bill.

Mr. Studer: May I answer that question, Mr. Speaker?

Mr. Ellis: Sit down.

The Acting Speaker (Mr. Applewhaite): Order. Let us clarify this matter right now. Let me make it clear that if during the

course of his remarks the hon. member for Dauphin says something which it is considered by the hon. member for Swift Current-Maple Creek or others requires a personal explanation, the Chair will see that an opportunity to make that personal explanation is given at the conclusion of the hon. member's speech. In the meantime the hon. member for Dauphin should be allowed to continue without interruption.

Mr. Zaplitny: Thank you, Mr. Speaker. I think that ruling is very fair. I was going to place on record some of the replies I have received from co-operative associations or wheat pool associations in my constituency in Manitoba who have read the bill. I sent a copy of the bill to them and asked for their opinions on it. I think it would be perfectly fair to all those who are interested in the matter to know what the attitude was.

For example, I have received one letter signed by Mr. F. C. McBurney, manager of the Dauphin co-operative elevator association. May I point out that this is one of the large co-operative associations in Manitoba. As a matter of fact, in our part of Manitoba we have, I believe, the greatest concentration of pool elevators per mile in any other part of the province. Therefore they speak with a certain amount of authority on behalf of the farmers. The letter is in these terms:

Dear Sir:

I have been instructed by the president and directors of the Dauphin co-operative elevator association to reply to your recent letter on Bill 22 re the allocation of box cars.

The directors of the above association are very pleased that you and your colleagues are taking such a stand in introducing this bill before parliament.

I think that is an answer to the question asked by the hon. member for Swift Current-Maple Creek. The letter continues, and I think this part will answer some of the other questions:

The Dauphin co-operative elevator association feel that during the past eight or ten years they have lost many thousands of bushels of grain business due to congestion and lack of a fair share of box cars in proportion to the number of customers they have or could have if elevator space would permit. Also we are quite sure that Bill 22 is a step in the right direction for western farmers as a whole.

May I thank you for interest in this matter on behalf of the board of directors.

That shows the attitude of the Dauphin co-operative elevator association, one of the largest and most successful ones in the province of Manitoba. Then I have another letter. It is from the Grand View co-operative elevator association. It is signed by Alex Morran and reads as follows:

In regards to the distribution of box cars, at a meeting of the board of directors of Grand View co-operative elevator association I was instructed to write you that a resolution was passed and the board is in full support of Bill 22.

I have other letters from associations at Oak River, Manitoba; Fork River, Manitoba, and other points in my constituency with which I shall not burden *Hansard*.

I think that is a perfectly good reply to the question of who wants the bill presented in the house. The wheat pool associations themselves, which after all handle the farmers' grain, which are on the ground floor and know the situation, have stated their full support for the bill. They have stated they have lost a considerable amount of business because they are not able to obtain their fair share of box cars which they need in order to accommodate all the farmers who wish to do business with them. In a situation of that kind I think it is a little impertinent for the hon. member for Swift Current-Maple Creek to jump up half a dozen times and ask the mover of the bill who asked him to present it.

That is not the question. The question is whether this is a proper provision so far as the distribution of box cars is concerned. Is this something which will assist the farmer-owned elevators and others to accommodate customers? Is it fair and just? If it is, there is no reason whatsoever for any member of the house representing a rural constituency to try to wriggle his way out of supporting the bill by bringing up phony issues and making phony excuses such as have been put forward by the hon. member for Swift Current-Maple Creek.

I do not think that kind of thing will do, because we have just about reached the limit in that regard. If it is the South Saskatchewan dam there is one excuse. If it is distribution of box cars there is another excuse. There are always excuses why they cannot vote for these things. I think the time has come when each private member of the house has to take full responsibility for his actions. I believe the farmers and the people of Canada generally are getting a little fed up with the government telling its supporters that they must oppose this or oppose that because it is a matter of a vote of confidence or something of that nature.

Mr. Tucker: Mr. Speaker—

Mr. Ellis: It hurts, doesn't it?

Mr. Tucker: On a question of privilege, Mr. Speaker—

Mr. Ellis: You cannot take it.

Mr. Sinclair: Keep that foghorn quiet.

Mr. Tucker: —the hon. member has suggested that the government has been telling members on this side of the house they have

to vote in a certain way. That is absolutely untrue. I have been a member of the house for 15 years, and on no occasion has the government ever indicated to me that I was to vote in a certain way. Therefore what the hon. member has said is completely and utterly untrue.

The Acting Speaker (Mr. Applewhaite): I made a statement from the chair some time last week that a question of personal privilege could not arise because any one group of members felt they had been attacked in a debate. I am still of the opinion that the question is a matter of debate. The hon. member may feel very strongly upon the subject and may feel the statement should be answered, but in my opinion it is not a question of privilege. The hon. member for Dauphin.

Mr. Dickey: He is used to regimentation in his own party.

Mr. Zaplitny: In reply to the hon. member for Rosthern (Mr. Tucker) may I say that if what he says is true, and of course I accept his statement that he has not been instructed by the government to oppose the bill, he has even less excuse for doing so and therefore should support it.

Mr. Dickey: His excuse is good judgment.

Mr. Zaplitny: If he had been instructed to oppose it on the basis of it being against government policy he would at least have that excuse, but now he has not even that excuse.

Mr. Tucker: Mr. Speaker, on a question of privilege, the hon. member is undertaking to represent my position in this matter, and now he has certainly touched on a question of personal privilege with which I surely have a right to deal. He is suggesting that if I have not been instructed by the government the only thing I can do is accept the position he has taken. I suggest there is a difference between my voting confidence in the government according to my judgment and being told that I must do so. I should like to point out to the hon. member that when members on this side of the house, in the exercise of their conscientious judgment, differ with their party, they are not expelled from the party.

Mr. Fulton: How would we know? You have never disagreed.

An hon. Member: Oh, yes, he did.

Mr. Zaplitny: I see no reason at all for the hon. member's great agitation. I simply said that if the hon. member was not instructed to oppose the bill—

Mr. Jutras: Why not speak for yourself?

[Mr. Tucker.]

Mr. Zaplitny: I am doing that at the moment.

An hon. Member: Let us get down to wheat.

Mr. Zaplitny: I want to be perfectly fair. I was proceeding to make my point.

Some hon. Members: Oh, oh.

Mr. Zaplitny: I was proceeding to present my argument in a mild way when hon. members began to pop up on questions of privilege and interrupt my speech. They are the ones who started the argument, and if they will bear themselves with patience I think we can finish it. The hon. member for Rosthern objects to the fact that I asked him to take a stand on the bill. He again dragged in the question of a vote of confidence.

Mr. Tucker: Again on a question of privilege—

Some hon. Members: Oh, oh.

Mr. Tucker: —the hon. member has misrepresented my position. I do not object to his suggesting that I should vote on the bill as I think right. I objected to his suggestion that the government has dictated to members on this side of the house how they should vote. The hon. member should not misrepresent what I said.

Mr. Zaplitny: Mr. Speaker, after the kind of speech the Minister of Agriculture (Mr. Gardiner) made yesterday on another question—

The Acting Speaker (Mr. Applewhaite): Order.

Mr. Zaplitny: —I leave it to the judgment of the house who was being instructed to do what. As to the hon. member's attitude with respect to this bill, may I point out that it does not involve a vote of confidence. It is an amendment of the Canada Grain Act, and certainly the government has not stated that it will stand or fall on this bill. Therefore I think on this occasion all members of all parties, including Liberal members from the prairies, are perfectly free to vote as they feel the merits of the bill require. If they are opposed to the distribution of box cars on the basis of the producers' choice, if they are opposed to the co-operative principle in the marketing of grain, then of course they will vote against the bill. Then we shall know where they stand. We shall know they are out for the competitive system which was condemned by the farmers when the wheat board was established. We shall know who are on the side of the grain producers and who are on the side of the grain trade.

The issue will be clear. Let them not make any phony excuses. It is not a vote of confidence, and they say they have not been instructed to oppose the bill, though it sounded so to me when the Minister of Trade and Commerce spoke. Apparently they are not taking instructions from him and are free to vote for the bill or oppose it.

But let the matter be clear. The bill is being supported by the farmer-owned elevators which understand the trade and have a duty toward the producers, who are the actual owners of the handling facilities. If the members who support the government feel the farmers should not receive this consideration, then they will oppose the bill; but of course they will have to answer for their actions when they are asked by the farmers why they felt the bill should not be passed and why they opposed the fair distribution of box cars in order to give the farmer-owned elevator companies an opportunity to provide facilities for their customers.

Mr. Studer: May I ask the hon. member a question?

Mr. Zaplitny: Yes.

Mr. Studer: Which farm organization asked the hon. member for Assiniboia to present this bill on behalf of the farmers of western Canada? I should like to add the statement that of the 25,000 voters in my constituency, not one has ever asked me at any time to vote for a socialist bill.

Mr. Zaplitny: In reply to the hon. member may I say the hon. member for Assiniboia is perfectly within his rights and responsibilities as a member of parliament—

Mr. Studer: Name the farm organization.

Mr. Zaplitny: —in introducing a bill which is in the public interest. With respect to the hon. member not being asked to vote for what he calls a socialist bill, I imagine his constituents know by now that there is no use asking him because he would not do it.

Mr. William Bryce (Selkirk): My job has been made quite easy, Mr. Speaker, because my colleagues have pretty well expressed my sentiments. However, if I do not get up and say something somebody might say I was not in favour of this bill. I am in favour of this bill and I think some hon. members will recall that a number of years ago I took up this same subject with Mr. McIvor when he attended the agriculture committee. I feel that I, as a co-operator, should not be compelled to sell my grain to another elevator. I should be able to go to the elevator of my choice, just as the man who is against the co-operative movement and wants to sell to a private elevator should have that right.

Mr. Studer: How many bushels did you sell last year?

Mr. Bryce: I cannot answer the hon. gentleman just now because I have reached the stage where I can hear only on one side.

I do not want to take up much more time. Everything has been said that can be said. I have had letters from people who expressed views in favour of this bill. There may be little drawbacks to it, but the main thing is that where there are five or six elevators at one point the local train might leave a box car at each elevator. We might have a situation where one of the elevators would be doing 50 per cent of the business. I think it is reasonable to expect that that elevator should get 50 per cent of the box cars, irrespective of what type of elevator it is. Being a Scotsman it goes against the grain for me to sell wheat to a private elevator, because I receive no dividend. I want to sell my grain to an elevator from which I receive dividends.

Mr. A. M. Campbell (The Battlefords): There are a few figures I want to put on the record. First I want to say that the farmers have built up their own elevator system over the years, and they have put a lot of money and a lot of effort into it. They are seeing the results of those efforts being gradually whittled away.

In order to give the house an idea of the value of this elevator system owned by the farmers I want to put a few figures on the record. These figures relate to the distribution of earnings by the wheat pool in Saskatchewan during the years 1924 to 1954. A total of $61,888,280 in net earnings has been distributed since the organization was formed. Of this, $36,216,719 has been paid out in cash and $6,026,983 has been retained as a loan and credited to members. Then $19,644,578 was used to pay off the 1929-30 pool overpayment liability. In short, in the past 30 years wheat pool members have invested a total of $24,924,010 in their organization, but during the same period they have received back from earnings $36,216,719 in cash. They own assets which have been purchased by the pool at a cost of $51,042,712.

Now, to give the house a little idea of what has been taking place during recent years because pool elevators were not able to get enough box cars, I want to give a few more figures. Before doing so, I want to say that this bill will not harm the line elevator agent who has built up a business over the years, partly because of his popularity and partly

because of the different methods he has used to get a share of the business.

Here is an illustration of what has happened to deliveries to pool elevators. I am going to take a few points in Saskatchewan. Over the five-year period from 1945 to 1950 the pool elevator at Sedley received 39 per cent of the grain. In 1953-54 it only received 19 per cent. At Hardy, Saskatchewan, in the same period, 1945-50, the pool elevator received 85 per cent of the deliveries. Last year it only received 35 per cent.

I could go on and on giving more illustrations all over our province. I believe the same thing is happening in Manitoba and Alberta. I am supporting this bill because I have received probably hundreds of letters from farmers in my constituency who have asked me to raise this question on the floor of the house.

Mr. A. M. Nicholson (Mackenzie): No subject has brought as many letters to my office, Mr. Speaker, as the question of the allocation of box cars. I understand that the minister has been obliged to take on additional stenographic help to handle the very large volume of mail he has received on this subject. I shall be very brief. One letter expresses the problem. This letter is from Fred Lowndes, of Kelvington, Saskatchewan. It is dated March 29, and reads as follows:

> I wish most vigorously to protest against the present method of car allocation. As a member of the Saskatchewan wheat pool I feel that at present we are definitely being discriminated against. In early fall our elevator fills up within a few days while the line elevators still have lots of room. When they also become full it is back to the one car one elevator system. Economic pressure then forces loyal pool members to deliver to line elevators.
>
> If the line elevators cannot stand on their own feet, they should be honest enough to ask for a federal subsidy, and not be spoon fed under our so-called car distribution system.

I feel that the members of the wheat pool are being quite reasonable when they ask that box cars be allocated in such a manner as to enable producers to deliver grain to the elevator of their choice. As my colleague the hon. member for The Battlefords (Mr. Campbell) pointed out, if over the years a line elevator agent has built up support in a community to the point where he is handling 50 per cent of the grain in that community, then he should have 50 per cent of the box cars. If, however, he has been able to get only 25 per cent of the grain that normally comes into the community, he is not in any position to ask for 50 per cent of the box cars.

The members of the wheat pool are quite reasonable in asking that they should have the privilege of delivering their own grain to their own elevator so they can receive the dividends which will come to them as a result of that volume of business. I hope the majority of members in all sections of the house will support this motion.

Mr. Argue: Mr. Speaker—

The Acting Speaker (Mr. Applewhaite): If the hon. member speaks now, he will close the debate.

Mr. W. A. Tucker (Rosthern): I have been very surprised, Mr. Speaker, that the hon. member for Assiniboia, who introduced this bill, has not seen fit to answer the question directed to him by the hon. member for Swift Current-Maple Creek.

Mr. Argue: Would the hon. member like me to answer that question now?

Mr. Tucker: You can answer when I get through. You had many opportunities to answer it. The hon. member gave you three or four opportunities to answer it.

Mr. Argue: I will answer it now if you wish me to do so.

Mr. Tucker: You will have a chance to answer when I get through. If the hon. member had the support of any farm organization which asked him to introduce the measure, he should have so stated when he spoke.

It is a most astonishing thing, when farm organizations have indicated they are making submissions in this matter, when they have indicated that they intend to make submissions before the committee on agriculture, and when we are expecting to hear those representations, to have the hon. member for Assiniboia rush in with a bill which he admits, in at least one substantial particular, is quite different from what the wheat pools would like to have. He wants the house to vote on the matter before we have a chance to hear from the wheat pools and the other farm organizations.

Well, that may be the way members of the C.C.F. party think business should be done, but it seems to me the proper attitude would be that members should not be expected to vote on this matter until they have had a chance to hear what the various farm organizations think about this bill. The hon. member knows very well that the wheat pools intend to make representations on this matter before the committee on agriculture. Knowing that, why is he so anxious to have a vote on this bill before representatives of the wheat pools have had a chance to make their representations? Why is he so anxious to

have the principle of the bill decided by the house before the farm organizations can be heard?

It seems to me the hon. member is taking a most surprising attitude toward those farm organizations. He admits that his bill differs from what the wheat pools would like to have, but he brushes that aside as a matter of no consequence. Let me read to the house what the hon. member for Assiniboia had to say about the difference between his bill and what the wheat pools would like to have. As reported at page 3410 of *Hansard* he said:

> The only real difference I can see between the bill that is now before the house and the proposition advanced by the western wheat pools is that by my bill the farmers would vote by open ballot, whereas the wheat pools are suggesting that the choice be made by secret ballot.

Here is the hon. member for Assiniboia getting up in the House of Commons and admitting that the wheat pools want to have something different from what is contained in the bill he is offering.

Mr. Argue: Read the next sentence.

Mr. Tucker: I have read what you said.

Mr. Argue: Read the next sentence.

Mr. Tucker:

> If the government is prepared to adopt the suggestion of the wheat pool organization, I for one shall be pleased to support it.

What the hon. member is asking the house to do is endorse the principle of his bill, knowing that once the principle had been decided the matter could not be reconsidered at this session.

Mr. Argue: May I ask the hon. member a question?

Mr. Tucker: I did not interrupt the hon. member when he was speaking. However, I can understand that he would be very uneasy when it is being made very clear that he is bringing in a bill that is substantially different from what the great pool organizations in western Canada would like to have.

Mr. Argue: The principle is identical.

Mr. Tucker: Had he not been so anxious to rush into this matter and pose as the great defender of the farmers in western Canada; had he been content to wait until the farm organizations appeared before the committee on agriculture and indicated the kind of bill they would like to have, it would have been different. But he has the temerity to come into this House of Commons with a bill of his own, which he admits is different from what the wheat pools want. He admits that; but then he says, "Vote for my bill anyway; because if later on the government wants something different, then I would be willing to accept that, too."

What sort of way is that to approach parliament? He suggests that hon. members should vote for something the pools do not favour, and adds that later on they may take a different position. Surely that is not the way we in this parliament should be asked to transact our business. Surely the right way to do business is to hear first from the wheat pools, as to whether they think the hon. member's bill offers the proper way to proceed, and whether it is workable. Then it will be time enough to say whether the bill merits support, or whether a measure such as is indicated by the wheat pools and other farm organizations should be introduced.

Personally I would feel much safer supporting a bill brought in by the farm organizations than I would in supporting one brought in by a C.C.F. member, who is content to rush in with a bill so he will be ahead of the pool organizations, who will be appearing before the committee on agriculture. The hon. member rushes in and tries to get his bill before the House of Commons before those representatives have had a chance to be heard by the committee.

Mr. Stewart (Winnipeg North): You know what the farmers did to you out in Saskatchewan.

Mr. Tucker: I know this, that I have been elected a greater number of times, by far, than the hon. member who has just spoken.

Mr. Stewart (Winnipeg North): Possibly; but you were also thrown out of the leadership in Saskatchewan.

Mr. Tucker: I had no difficulty in being elected to either the federal house or the provincial legislature, in spite of all the misrepresentations bandied around the province of Saskatchewan by members of the C.C.F. party. And let me tell the hon. member that they came so close to being beaten in 1948 that they have been nervous ever since.

Mr. Stewart (Winnipeg North): Is that why you left?

Mr. Tucker: And I can well appreciate what was said this afternoon by the leader of the Social Credit party, when he referred to members of the C.C.F. posing as the great defenders of the farmers and the great defenders of labour, as indicating that they are uneasy and feel that they are slipping, that they are on their way out as a major political factor in this country.

Mr. Stewart (Winnipeg North): Go back to Saskatchewan and tell them that.

Mr. Tucker: I was going to deal with this question, which the hon. member for Assiniboia brushes off as having no importance, when he said:

> The only real difference I can see between the bill that is now before the house and the proposition advanced by the western wheat pools is that by my bill the farmers would vote by open ballot, whereas the wheat pools are suggesting that the choice be made by secret ballot.

In other words the hon. member is saying, in effect, "Here is my bill; this is the one I want to have adopted". And he says we should vote for it although the wheat pools say they would like to have this matter decided by secret ballot. Under the hon. member's bill they would not have that right of secret ballot at all.

I am not surprised when I see the great leaders of the wheat pools in western Canada taking a democratic attitude, and pointing out that in a question of this kind decisions should be made by secret ballot. Neither am I surprised to see the hon. member for Assiniboia, speaking for the C.C.F. party, brush that suggestion aside as one of no importance whatever. By saying, "By my bill they are not permitted to decide by secret ballot," he asks the House of Commons to endorse the view that the secret ballot should not be used.

So far as I am concerned I would rather stand with the wheat pools, when they say the decision should be made by secret ballot, than with the hon. member for Assiniboia and his C.C.F. colleagues who say the right of secret ballot should not be allowed.

Mr. Campbell: How could you vote secretly?

Mr. Tucker: The wheat pools have asked for that, and the hon. member for The Battlefords now asks how it could be done. I presume when the wheat pools made this request they must have had some idea how it could be done. They are not the kind of people who make suggestions that are not feasible, or that would be considered foolish. I have no doubt in the world that it can be done by secret ballot, perhaps by the farmers sending in their ballots by mail, if necessary, indicating where they want to deliver their grain. That ballot could be secret, just as the votes for delegates to the wheat pools are secret and by mail.

Mr. Campbell: They could not be secret if they went through the mail.

Mr. Pickersgill: I am wondering whether I should not rise on a question of privilege.

Mr. Tucker: I do not know why it could not be secret if it went through the mails. We have what is supposed to be a secret ballot in Saskatchewan, where people vote in provincial elections by sending their ballots through the mails. They insist that it is a secret ballot. I am very interested in the hon. member's suggestion that after all it is not a secret ballot in the province of Saskatchewan because these ballots must go through the mail. If it is all right to conduct voting for members of the legislature by mail ballot, surely it is all right to do as the pool suggests in this matter.

Mr. Campbell: This ballot would have to have a signature on it. It would not be secret.

Mr. Tucker: I will explain to the hon. member just how it could be a secret ballot. The ballot could be put in an envelope without any identifying marks on it at all, and that envelope could be placed within another envelope which could be absolutely identified as having been cast by a person entitled to vote. When the outer envelope was opened, it could be checked to see that the person who sent in the vote had a right to vote, and then they could take the inner envelope and without opening it put it in a ballot box.

If it were done in that way it would be entirely secret. In balloting for members of the legislature in Saskatchewan they do not even have that. Still I think it is pretty well a secret ballot. The ballot is contained in an envelope, and scrutineers are there when the envelope is opened. The ballot is then taken out without being looked at and put in the ballot box and counted afterward. In that way it is a secret ballot. When the pools ask for something along that line I presume they think it is the sort of thing that is workable.

Mr. Ellis: Why does the government not bring in a bill along the lines of the recommendation of the wheat pool?

Mr. Tucker: On that question my attitude is this, Mr. Speaker. After the matter has been thoroughly threshed out before the agriculture committee the government, the committee and all concerned will have had a chance to thoroughly discuss the matter and decide on any scheme that seems to be satisfactory to everybody and workable. After all, the government is the author of the Canada Grain Act, which is regarded by the farmers of western Canada as a real charter of their liberties in grain marketing matters. At the last agriculture committee meeting representatives of farm organizations said the Canada Grain Act is so satisfactory they did not wish to suggest any

major amendments to it. The government can be relied upon, if some good program that meets the situation can be brought forward, with the assistance of the farm organizations to bring in a better bill than this one, which seeks to rush in ahead of the representatives of the farm organizations.

Mr. Campbell: We shall hold you to that.

An hon. Member: Just excuses.

Mr. Tucker: I am used to the attitude of the C.C.F. party. If I had not been fairly well able to put up with a great deal of misrepresentation and unfair abuse I would not be here today.

Mr. Ellis: Cry-baby tactics.

Mr. Tucker: I tell my hon. friends opposite that what they can do here with a little group in this house is nothing compared to what they can do in the legislature with a large majority behind them. I had no difficulty in saying what I thought was right, and upholding what I thought was right, in the legislature, and I think I can do it in this house where they have not a majority and they cannot adopt the attitude that was adopted in that legislature.

The members of the C.C.F. party do not need to think they are bothering me in any way, and they are not going to prevent me from saying what I think is right. I tell them that. I am enjoying the interruptions. I hope they keep it up. If there are any other questions to be asked, let them ask them.

Mr. Campbell: Why did you not stay in Saskatchewan?

Mr. Argue: May I ask my question now?

Mr. Tucker: Yes.

Mr. Argue: Is the hon. member for Rosthern prepared to support a bill if it should be suggested by the wheat pool organization?

Mr. Tucker: I have already stated my position in that regard. I do not wish to take time to go over it again.

Mr. Argue: No commitment.

Mr. Tucker: Let the hon. member read *Hansard* tomorrow if he did not hear what I said.

Mr. Argue: You did not answer the question.

Mr. Tucker: I certainly stated my position.

Mr. Ellis: Face the facts.

Mr. Tucker: I am tempted to state it again, but there are certain other points I want to deal with.

Mr. Argue: You are not supporting anybody.

Mr. Tucker: I wonder whether the C.C.F. actually would ask hon. members to go against the representations of the pool, which asked for a secret ballot, and vote for a bill that does not provide one. I wonder whether they are really serious in that attitude.

Mr. Ellis: Stick to the main issue.

Mr. Tucker: That is the main issue; it is one of the important parts of the bill.

Mr. Stewart (Winnipeg North): Did the pool ask you to oppose this?

Mr. Tucker: So far as I am concerned the pool took the attitude that they intend to make representations before the agriculture committee. My answer was that I would do all I could to see to it that the agriculture committee heard their representations, and that is my position. I should like to see the situation kept in such a position that when they come before the agriculture committee it will still be open to them to make representations and the matter will not already have been decided by a vote in this house.

There is another matter which may be affected by this bill, and on which I should like to have the opinion and advice of the farm organizations before I undertake to vote on it.

Mr. Knowles: Six o'clock.

Mr. Tucker: I refer to the car order book system. We all know it is something that was fought for by our great pioneers, who farmed in western Canada over the years, to break the control of the elevator companies over the farmers so they could have the right to order cars and ship either through the elevator of their choice or over the platform, if they so wished.

Mr. Knowles: Six o'clock.

Mr. Tucker: This particular bill may very well infringe that basic right laid down in the grain act in respect of the car order book, because if you provide that cars must be allotted according to the system laid down in this bill, how then can you obey the act which lays down obligations in regard to the car order book?

Mr. Knowles: Six o'clock.

Mr. McIvor: On a point of order, six o'clock.

On motion of Mr. Tucker the debate was adjourned.

Mr. Speaker: At eight o'clock the house will revert to consideration of the business which was interrupted at five o'clock.

At six o'clock the house took recess.

Decision of Mr. Speaker

AFTER RECESS

The house resumed at eight o'clock.

Mr. Speaker: If the hon. member for Lethbridge will be kind enough to allow me, I should like to make some observations with respect to a point which was raised last night in the course of this debate when the hon. member for Vancouver East (Mr. Winch) raised as a grievance the subject matter of the exercise of the prerogative of mercy in the case of Robert Alexander Hoodley.

I indicated at that time that I was not too sure the hon. member could intervene in the debate in this manner, and promised hon. members that I would look into the question further. I left the chair shortly thereafter, and in the few minutes at my disposal before ten o'clock looked up some authorities, which I have indicated at the end of my remarks and which appear in *Hansard* at page 3825.

These authorities do indicate that the responsibility for the exercise of the prerogative of mercy is that which belongs to the executive when it tenders advice to the representative of the sovereign, but that the sovereign does take part in the deliberations pertaining to such exercise, and indicate also what care one must exercise when it comes to approaching such delicate matters.

This morning I read in *Hansard* the remarks of the right hon. Prime Minister, who followed the hon. member for Vancouver East. As reported on page 3826 of *Hansard* the Prime Minister said in his opening remarks:

> Mr. Speaker, a discussion of this kind is quite irregular, and has been refused by Mr. Speaker at Westminster on more than one occasion.

The Prime Minister concluded his remarks by saying:

> There has never been any occasion when there was an attempt by any house of commons, either here or in the United Kingdom, to go behind the exercise of that terrible responsibility we have to discharge.

That suggested to me that I should travel overseas in order to find out what decisions had been made on this very point by Speakers in the United Kingdom House of Commons. I find a decision of recent date by Mr. Speaker Morrison, which appears in volume 510 of parliamentary debates, fifth series, at column 845. The point is debated at great length and Mr. Speaker gives his ruling, and the discussion on that point of the exercise of the royal prerogative is included in columns 845 to 864. Mr. Silverman, a member of the United Kingdom house, had given notice of a motion to go on the order paper which read as follows:

> "That this house respectfully dissents from the opinion of the Home Secretary that there were no sufficient reasons for advising the exercise of the royal clemency in the case of Derek Bentley; and urges him to reconsider the matter so as to give effect to the recommendation of the jury and to the expressed view of the lord chief justice"—who was the trial judge—"that Bentley's guilt was less than that of his co-defendant, Christopher Craig."

Mr. Speaker Morrison did not allow this notice of motion to go on the order paper. Therefore the next day Mr. Silverman raised the matter and questioned the authority of the Speaker in having done so. This matter was fully dealt with by Mr. Speaker Morrison and his action was found to be fully justified, but we will leave aside that particular point. In explaining why he had done that, Mr. Speaker Morrison gave his reason as follows. After having listened to the remarks of Mr. Silverman, who had questioned the authority of the Speaker to have removed his notice of motion bearing on the exercise of the royal prerogative, as I have indicated, Mr. Speaker, as reported in column 849 of the same volume, said:

> I have listened to what the hon. member said, and I fully appreciate the deep feeling that exists in many parts of the country on this matter. I should like to state what my conception of my authority was for taking the action I took. The order paper is a document published by the authority of the house, and the Speaker is charged, among other duties, with doing his best to see that nothing out of order or irregular appears upon it.
>
> Frequently the Speaker has had to intervene—I have myself—when motions are offered. I have convinced an hon. member that a motion was out of order or taken some action myself.
>
> In this case, the motion of the hon. member, which I saw late last night, dealt with the case of a capital sentence which is still pending, and there is a long line of authorities of all my predecessors saying that, while a capital sentence is pending, the matter should not be discussed in the house.
>
> The hon. member for Nelson and Colne (Mr. S. Silverman) did refer to the general doctrine that any action of a minister, and any responsibility which he exercises departmentally, is one for which he is answerable to the house, but in this particular case of a sentence of a capital character which has not been executed, there is the strongest possible precedent for saying that the house should not discuss it, either by questions, on the motion for the adjournment of the house—

Which here is not debatable; therefore no debate could take place on such a motion here.

> —or by any other means whatsoever. On that there is no doubt at all in my mind; it has been upheld by successive Speakers for a great number of years and I have the precedents here, if the house would like me to refer to them.
>
> The most recent one is that of Mr. Speaker Clifton Brown. Many hon. members will remember the case of the executions taking place in the Gold Coast, which was not so very long ago—in 1947—and on which Mr. Speaker Clifton Brown then ruled. He was asked for a definite ruling, and he used these words:

"I would point out that, in my ruling of 10th March, I was dealing with the particular case of persons under sentence of death on the Gold Coast. My remarks were, therefore, directed to the question of the prerogative of mercy in the case of persons under sentence of death. It was the sentence of death that I had in mind when I said, by way of supplement to my ruling, that the Home Secretary could not be challenged on the advice he had given to His Majesty until after the sentence had been executed. This rule is, of course, not applicable to sentences of imprisonment. The practice of the house makes a complete distinction between capital sentences and other forms of punishment, so far as the prerogative of mercy is concerned. Whereas the remission of a sentence of imprisonment, for example, can be urged upon a minister at any time after its imposition, a capital sentence cannot be raised in question or debate while the sentence is pending. After it has been executed the minister responsible may be criticized on a relevant vote in supply or on the adjournment. I have stated that that is the practice of the house, and I cannot alter the practice of the house . . ."

Mr. Speaker Morrison was quoting from the official report of 1st May, 1947, volume 436, columns 2180 and 2181. He concludes his ruling as follows:

Neither can I.

He means "alter the practice of the house".

The notice of motion, as it was submitted to me last night, was notice of a debate which would be wholly out of order and a debate which could not take place. It was therefore my view, in the circumstances, and acting under my duty, that this notice should not appear on the order paper because it was one which could not be debated in the House of Commons.

Now I come back to a part of this ruling which I think is very important to bear in mind. It was when Mr. Speaker Morrison said:

. . . but in this particular case of a sentence of a capital character which has not been executed, there is the strongest possible precedent for saying that the house should not discuss it, either by questions on the motion for the adjournment of the house or by any other means whatsoever.

I urge hon. members to read the whole debate which took place on that occasion in the House of Commons in the United Kingdom and which, as I said, appears in this volume 510 of debates on January 27, 1953, at columns 845 to 864. The case involved in this ruling is similar to that which was raised last night by the hon. member for Vancouver East (Mr. Winch). Considering that we do not have any precise rules on the point by our house, by virtue of our standing order 1 we can always refer to rulings which are tendered in the House of Commons in the United Kingdom. I am placing this on the record for future guidance in these cases.

Mr. Knowles: I wonder whether Your Honour would permit just one question. It is one that you could perhaps answer outside the house rather than tonight. Has Your Honour found any Canadian decision comparable to the one you have given us from the British house?

Mr. Speaker: I have found no cases where the matter of the exercise of the royal prerogative was criticized or debated in the house in the manner in which that was done last night by the hon. member for Vancouver East. There were questions addressed to the ministry, and perhaps in certain cases notices of motions for the production of papers, which have always been refused because all correspondence pertaining to these matters are of a privileged and confidential character. There was a notice of motion, including such a case, proposed in 1917 and which is to be found at page 1018, May 2, 1917, debates volume I. Mr. Speaker Rhodes ruled it out of order on the ground suggested by the then minister of justice and also on the ground of anticipation. The debate appears at pages 1018 to 1023 of volume I, debates 1917. See also May's fifteenth edition, page 437.

WHEAT—FINAL PAYMENT, 1953-54

Mr. Blackmore: Mr. Speaker, at five o'clock I was dealing briefly with certain matters which had been mentioned in the debate on wheat this afternoon. I had referred to certain remarks made by the hon. member for Vancouver South, and had indicated that I proposed to deal with what he had said. May I now keep that promise for a few minutes.

The hon. member for Vancouver South had done me the honour of noticing that in previous years I had said that it would be feasible and sound, in certain circumstances, for the Dominion of Canada to advance money to Britain, or to other countries, with which Britain or those other countries might buy Canadian wheat. This appeared to the hon. member for Vancouver South rather extreme use of the credit of Canada.

I will not enter into the matter to any great extent at the present time. I merely choose to refer to the report of the royal commission on banking and currency in Canada, published in 1933, dealing with the work done under the Finance Act of 1914 by Sir Thomas White. I think the hon. member for Vancouver South will find there all the evidence he needs upon which to exercise his mind. From page 22 of that report, paragraph 47, I read as follows:

In the war session of August, 1914, parliament raised the partially covered issue to $50 million.

Now note these words particularly.

Subsequently an issue of $16 million was made against a deposit of railway securities guaranteed by the dominion government, as well as an uncovered issue of $10 million for governmental purposes.

And then note these words:

> In 1917 an emergency issue of $50 million of dominion notes was made to finance war purchases in Canada, by the British government. The notes were secured by imperial treasury bills.

If I may, I should like to stop and discuss that matter for a moment. It is quite obvious that, in effect, the treasury of the Dominion of Canada created $50 million of bills and just as good as sent them to Great Britain, with which Great Britain could buy agricultural products in Canada. It was done.

I would now say this. If the Bank of Canada today cannot be used just as effectively, in such a situation, as was the Finance Act of 1914, it is time we re-enacted the Finance Act of 1914. For anyone to tell us that this financial transaction was in any way unsound would be for him to indicate a great deal less understanding of finance than a member of this house ought to have. When we remember that in those days the over-all production of Canada would not be any more than perhaps $4 billion a year, and that the gross national production of Canada this year is expected to be $26 billion —when we bear those facts in mind we shall readily realize that a great amount of money could now be created by Canada and advanced to any country to which she chose to advance it, to be used in purchasing Canadian goods.

People may say that is just the same as though we issued money in Canada and bought the goods ourselves. I will grant that. Why not? If the goods and services in the market in Canada are adequate and would absorb this money, the money can do no possible harm whatsoever.

Let me draw attention to one more aspect of this question. Suppose we were selling $100 million worth of wheat to France and were taking in exchange $100 million worth of French wine, silks and other products of France. Suppose France was not going to be able to deliver those goods to us for, let us say, some two months or three months. Would our people in Canada be obliged to wait those two or three months until the French goods reached Canada before they could receive payment for their wheat or other goods? Obviously not. What would be the technical financial operation under the circumstances? In effect, some financial agency representing the Dominion of Canada or some organization empowered by that body would create the money, buy the wheat or the other goods, and send it over to France. Then when the French goods got to Canada the money would be cancelled and the whole transaction would be completed. This may sound a little strange, but in these dangerous years I think it is time we recalled this kind of transaction and reflected upon the advisability of using it.

May I now turn to page 85 of the report of the royal commission on banking and currency in Canada, published in 1933, and read a passage from the memorandum of dissent by Sir Thomas White, who was the finance minister of Canada all during world war I and who consequently knew as much about Canadian finance as probably any man who was ever in Canadian public life. I am going to read just a sentence or two. He says:

> In respect of these advances to the British government—

He is there referring to advances other than that $50 million advance to which I referred.

> —aggregating more than twelve hundred million dollars it is to be observed that conversely that government made advances in sterling in London to the Canadian government to meet the expenditures of the latter in maintaining the Canadian forces abroad.

I think no comment is necessary with respect to that statement. It indicates that, during world war I, over $1,200 million was issued by the Canadian government and advanced to Great Britain so that Britain might buy Canadian goods. I see no reason why this kind of procedure cannot now be followed in connection with marketing our wheat where we need to market it, in Britain or in any one of several other nations. I am sorry the hon. member for Vancouver South is not in his seat. I trust that at some future time he will raise this matter again if it is not clear in his mind.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I intend to speak on a different matter from that which has been the topic of discussion so far today. I wish it were within my parliamentary right to answer some of the things the hon. member for Vancouver South said this afternoon. We have been discussing the wheat situation, and I want to refer to another matter of serious concern to the people of western Canada, the flood conditions in that area and particularly in the province of Saskatchewan.

Mr. Speaker: May I interrupt the hon. member to ask him if he has not already spoken on this question during the budget debate? If not, I apologize for interrupting him, but I know several speeches were made on the flood situation in Saskatchewan during the budget debate. My recollection is that the hon. member took part in that debate and touched upon this subject matter. If that is not so, I apologize for interrupting him.

Mr. McCullough (Moose Mountain): Mr. Speaker, I mentioned the flood situation in Saskatchewan during the budget debate, but I take it I now have the right to bring up as a grievance the condition now existing in Saskatchewan. On that basis I want to say that Saskatchewan has had a double-barrelled disaster. First we are faced—

Mr. Byrne: The first was electing the C.C.F.

Mr. McCullough (Moose Mountain): —with falling farm prices. In addition, we have been hit by an unprecedented storm which has resulted in widespread chaos in the province of Saskatchewan.

Mr. Harris: On a point of order, Mr. Speaker, I have looked at the remarks of the hon. member which are to be found at page 3699 of *Hansard* of May 12. He spoke at some length on flood conditions in Saskatchewan, the same subject on which he has now indicated it is his intention to speak.

Mr. McCullough (Moose Mountain): Mr. Speaker, unless you are going to rule me out of order I intend to put certain facts on record regarding this most serious situation. In 1953 and 1954 Saskatchewan was faced with precipitation in the form of snow and rain 150 per cent above normal. I have here a graph indicating the seriousness of the condition. It shows the normal median stream flow in one of the important Saskatchewan rivers, the Assiniboine, and indicates that the river has had a flow 900 per cent above normal. In addition the natural drainage basins in Saskatchewan are full, and the present situation is not normal.

The Saskatchewan government is prepared to take care of normal drainage in the province. In 1949 an act was passed in the province known as the conservation and development act, under which a conservation and development board was established. To date the province has expended through the board $2,424,000. As I stated at the beginning, the situation resulting from the recent storm is one which is unprecedented in any part of Canada.

Mr. Speaker: I am sorry to interrupt the hon. member again, but I have looked at his remarks which appear at pages 3699 and 3700 of *Hansard*, and I find that at that time he did explain to the house how in his view the situation now obtaining in Saskatchewan was unprecedented and discussed very fully the condition in Saskatchewan that had resulted from the flood. I do not know how the hon. member can now touch on the question of the floods in Saskatchewan and avoid violating standing order 40, paragraph 2, which says that a member must not repeat himself. I must point out to him that means repeating not only his own arguments but arguments used by others.

Several hon. members spoke on the flood situation in the budget debate. I think the hon. member for Kootenay West was one, though I may be wrong.

Mr. Herridge: I do not think so.

Mr. Speaker: If I am, I withdraw. It was the hon. member for Saskatoon I had in mind, and there were also other members from the province of Saskatchewan who spoke on the flood situation. How can the hon. member for Moose Mountain now initiate a debate on the flood situation on the motion to go into supply without repeating himself, and even the arguments used by others with respect to the same situation?

I do not want to enter into a long debate or interfere with the right of the hon. member for Moose Mountain to express himself on a subject to which he has a right to allude at this time, but I ask hon. members if it is not reasonable on the part of the Chair to warn members that they should not do that which the rules prohibit. The hon. member knows what he was about to do with respect to this subject matter, and I am quite confident that if he was about to violate the rule he will not continue his remarks but will remain in his seat.

I am confronted with this problem. While we were discussing the budget, on the motion to go into ways and means, at which time great latitude is allowed, certain specific speeches were made on the flood situation in Saskatchewan. Now the hon. member has raised the subject again as a grievance on the motion to go into supply. If I allow the hon. member to do so when he has already spoken on this matter, how can I restrict other members who have already spoken in the budget debate on the same question, and prevent them from repeating their speeches?

Hon. members know it is very difficult for the Chair to administer standing order 40, paragraph 2, which has to do with repetition. It is so difficult that perhaps too much repetition is taking place in our debates on many subjects. Therefore I insist upon strict adherence to the rule. I invite the hon. member to deal with another subject if he so desires, but if he wishes to deal with this one his remarks will have to be very limited in scope.

Mr. McCullough (Moose Mountain): Mr. Speaker, I intend to change my subject completely and, if I am permitted, will speak on the announcement which was made yesterday by the Minister of Trade and Commerce with respect to the final payment on wheat. Saskatchewan farmers, as I say, are faced with a double-barrelled disaster.

Mr. Byrne: The first was electing the C.C.F.

Wheat

Mr. McCullough (Moose Mountain): The first one facing us this year is the fact that tens of thousands of acres in the province will not be seeded as a result of the flood conditions. The second is the fall in farm income in the province. I have here, Mr. Speaker, a report on net farm income for 1954, which indicates the latest figures available. Farm income dropped from a high of $565·5 million in 1952 to $126·5 million in 1953, or a drop of 73 per cent. When we in the C.C.F. party talk about parity prices for farmers, equity for farmers, we mean that the farmers should get a fair share of the national income.

I was amazed this afternoon when the hon. member for Vancouver South got up to belabour the point that the C.C.F. were asking for a program that was not possible, and then went on to say that he believed the farmers were entitled to a fair share of the national income. I want to ask any member in this house how you can have any sector of our Canadian economy receiving either equity or justice and still not obtaining a fair share of the national income. When we in the C.C.F. ask for parity prices for our farmers we do so because we believe it is in the interests of the whole economy. Unless farm people are going to have a fair share of the national income and be guaranteed parity prices, then of course we are going to have other segments of our economy going on the rocks.

As the hon. member for Assiniboia and the hon. member for Mackenzie stated, unless this government is prepared to give our farm people guaranteed prices, then farmers are going to suffer first and other segments of our economy are going to suffer later. It is not long since we were debating the unemployment situation in this house, but to date the government has not done a single thing to put our people to work. They have not even suggested a program. If the government insists upon doing nothing about finding markets for our wheat or guaranteeing parity prices to our farmers, then of course the government will never find work for our unemployed.

In this connection I might say that not only has the drop in farm income been severe, but farm production has fallen in Canada. While total farm production of Canada dropped 41·9 points in 1954, the fall in the province of Saskatchewan has been from 230·2 down to 94·7. In the face of those figures I do not feel it is wrong for members from Saskatchewan to get up in this house and ask that justice be done to our farm people. We are not acting in a partisan manner. We are not asking for something we do not want for all the people in Canada. The same is true in regard to the flood conditions. When we demand that it be called a national emergency we are asking for the same treatment accorded other places in Canada under similar circumstances.

There are no people in Canada who responded in a more generous manner than the people of Saskatchewan when the Manitoba flood occurred. There are no people in Canada who were more generous or more willing that the Rimouski and Cabano fires be declared national emergencies, so the federal government could step into the picture, than the people of Saskatchewan. We feel the time has come when this whole situation should be appraised. The first thing that should be done is to restore that 73 per cent fall in farm production. This government should have a plan to not only guarantee parity to farmers but to guarantee the full utilization of the land in order to get production. It may well be that this country will be scraping its bins again in order to meet possible wheat sales abroad.

The Minister of Trade and Commerce, according to his statement, has been well pleased with the amount of wheat Canada has been able to ship in the past few years. But he knows, the farmers know, and this house knows that had we had another large crop in western Canada this government would have had no program to cope with it. In other words, this government has left the farmer to bear the brunt of the responsibility. Now we are getting an interim payment and the farmer is bearing all the carrying charges. In addition to that, the price of wheat is lower. Then, too, the government has failed to make the necessary agreements that would enable us to get rid of our wheat, as we in this group have insisted we should. There has been no program that would enable a farmer to know what he was going to get. We are facing the future with no decision as to what we are going to get for wheat next year. There is no guaranteed parity price for livestock, and so the future of the farmer is left up in the air.

I believe that is the crux of the situation, Mr. Speaker. All we in this group are asking is that this government get busy and develop a program for Canada, institute a storage program under the ever-normal granary policy. Then the farmer would not be carrying the storage costs of the unsold grain, and when we made our commitments this government would be assured of having grain to ship to our potential customers. That is the situation facing us today.

I am sorry I have not an opportunity of enlarging upon the critical situation facing

our municipalities. This drastic fall in farm prices has put our municipalities in a position where they are not going to be able to finance the cost of maintaining municipal services. As a result of the policies of this government since 1945 there has been an increase in the cost of maintaining municipal services. The lowering of farm prices, coupled with the flood conditions, have put our western municipalities in a position they have not experienced since the thirties.

I quite realize that Saskatchewan officials have come down here and placed their brief before this government, outlining the conditions facing Saskatchewan this year as a result of the storms we have had out there. It is my hope that this government will view this matter in the same responsible way it viewed some of the other situations in other parts of Canada.

I am sure every member in this house, and indeed taxpayers all across this country, would support this government if the Prime Minister were convinced that this disaster facing Saskatchewan were such that it should be called a national emergency and receive federal assistance. One of the things which I feel sure will build national unity is for this government to realize that the 10 provinces are a family within a nation, and wherever tragedy strikes this government should be prepared to come in and play its part.

I could reiterate some of the things we in the west have done to help people in other parts of this dominion. I am really ashamed that some hon. members across the floor of this house should try to intimidate any member when he attempts to put before this house a situation existing in his province, and insinuate that he is being provincial or partisan.

What we are trying to do is build this nation from coast to coast so we shall have the kind of Canada of which we can all be proud. We have the best country in the world; we have the resources; we have the people. All we need is a government policy under which we can have unity from coast to coast. We do not want any of these partisan policies.

As I said before, it is our view that when tragedy strikes the government should be prepared to use the taxpayers' money to step in and help our people. What did the producers in Saskatchewan, Manitoba and Alberta do during the war? We were quite willing to help subsidize every single taxpayer in Canada to the extent of 78 cents on every bushel of wheat that went into the manufacture of flour in Canada. Every bread eater in this country was subsidized by the farmers of western Canada during the war years.

We got $1.55 for our wheat under the contract known as the British wheat agreement. The western farmers did not kick about that. I spoke to Sir John Strachey, who was minister of food in Great Britain, and questioned him as to what the British people were prepared to pay for Canadian wheat during the war years. His answer was, "We would pay $15 per bushel or any price, because we have to have wheat." Well, the farmers of western Canada did not hesitate to help the British people during the war. Strachey said this, however: "If we paid that, Canadian wheat would be coming into Great Britain at the price of sawdust after the war."

The western farmers have never asked for anything unfair. We are only asking for justice. When our people are going to the wall, when we cannot pay our taxes, when we cannot keep our schools open, we are asking this government to be generous enough and sympathetic enough to come into the picture and do something about it.

FLOODS—SITUATION IN WESTERN PROVINCES

Mr. G. H. Castleden (Yorkton): Mr. Speaker, the disaster which struck the province of Saskatchewan and western Manitoba earlier this month—perhaps the hon. member for Swift Current-Maple Creek will allow me to say a few words; he may speak afterwards if he wishes—was reported as being of major proportions, so far as its effect on the farmers of that area is concerned.

It has required about a week and a half or two weeks to make a survey of the situation. The recent survey shows that although the western part of the province is not badly hit, the eastern part is suffering seriously, so seriously in fact that the farmers' union in that area wired most members of the House of Commons as follows:

> Many thousands Saskatchewan farmers unable to seed crop this spring. Conditions desperate in widespread areas due to adverse weather and flooding. Saskatchewan farmers union stresses urgent need for program to alleviate distress. Situation demands immediate action. Union pledges full co-operation to implement adequate assistance program.

The constituency I represent in the eastern part of the province is traversed by the Assiniboine river. The farmers, particularly those in the valley of the Assiniboine, and with special reference to the area of Kamsack, for the last three years have suffered from flooding. The result is that about 10,000 acres in that area will produce

absolutely nothing. But their disaster is small when compared with what is happening in the rest of the province.

I have before me the official report made by government officials, in which they say, in part:

> That a most serious situation exists was confirmed by supplementary reports from agricultural representatives, received on Thursday and Friday of last week. Their preliminary reports estimated a total of 4,760,000 acres of cultivated land flooded, and 14,810 farmers seriously affected by flooding.

Mr. Gardiner: I rise on a point of order, to point out that the hon. member is proceeding to discuss just what Your Honour has said is out of order. You so indicated when the hon. member for Moose Mountain was speaking. I suggest the hon. member for Yorkton is also out of order to discuss the same matter.

Mr. Castleden: I do not believe I have spoken on this subject.

Mr. Speaker: When I interrupted the hon. member for Moose Mountain my remarks were based on the provisions of standing order 40 (2), which deals with the subject of repetition either of one's own arguments or of the arguments used by others in a debate.

While at the moment the hon. member for Yorkton may be using some arguments used during the budget debate by other hon. members, at least he has not spoken on the matter of the flood. I have been looking at his remarks in *Hansard* for May 5 and, on glancing through them quickly, I can find no place where he discussed the flood. As a matter of fact I do not think it had taken place at that time.

On the other hand the hon. member for Moose Mountain had spoken on the subject of the flood, and when he intimated that he was about to do so again I referred to standing order 40 (2), as a result of which he was good enough not to further pursue his observations on this subject matter. I shall listen very carefully to the hon. member for Yorkton, and if he does cover ground which has already been covered by his colleagues from the same province I shall have to remind him of the same rule.

Mr. Castleden: Thank you, Mr. Speaker. When I was speaking on May 5 I was referring to the fact that the explosion of atomic bombs in a desert region in the country to the south of us might have had some effect on the weather. I might add that since the last explosion of bombs in the Nevada desert we have had another three days of rain in eastern Saskatchewan, and some may think there is weight in my contention of that time.

I assure the house the figures I am now going to place on *Hansard* have not been given before. These are some of the facts and figures required by the government before it can assess properly whether or not it has the right to declare the flooding in western Canada a national disaster.

Mr. Gardiner: The government has them already. The government has read that statement you are now going to read.

Mr. Castleden: And thus far it has not made any declaration as to whether it considers the flooding a matter of sufficient importance to declare the area affected a disaster area. However, the government did ask for figures, and for an opportunity to assess the damage.

We are here tonight to present the case before the House of Commons in the hope that it might influence the government to make some decision as to whether the area affected can be declared a disaster area. The type of disaster involved in this instance perhaps is not as spectacular as was the case at Rimouski or the Fraser valley, where smaller areas were affected. This affects a sector as widespread as has ever been affected by disaster in Canada, and I believe it affects as many as if not more than were affected by the Winnipeg flood or the flood in the Fraser valley.

I suggest that in making its decision as to whether or not a disaster area shall be declared, the government should use these facts and figures, and that such figures should be available to members of the House of Commons when they are asked to make up their minds whether they should support the government in the request for assistance that has been made.

The eastern portion of the province is settled to a great extent by farmers who operate on a small scale, in most cases involving half or quarter sections of land. The largest proportion of the thickly settled part of Saskatchewan is in the eastern area. There are over 50,000 farmers in that province whose farmlands consist of one or two quarters. The census returns show that in those areas their net income was less than $2,500 a year per family. This area produced a badly frozen crop in 1952, a good average crop in 1953 with the exception of some parts which experienced flooding, and in 1954 rust and frost and floods and wet weather were involved. In their efforts to relieve the situation the provincial government has spent over $3,225,000.

The provincial department of highways has estimated that $1,208,000 worth of damage

has been done to the provincial highway system alone. The damage done in municipal areas has not yet been properly estimated. It will take some time to get complete figures from the municipalities. The difficulties of communication have added to the difficulty of getting the estimate together. The main point is that the disaster is of such an unusual character that it is beyond the financial ability of either the province or the municipalities to bear, and they are making their plea for special consideration in the circumstances on the ground that it is an abnormal situation.

For instance, when the municipalities and the government make their surveys of the water flow through valleys and coulees, they construct their bridges on the basis of the engineering figures which show the average flow. They build their bridges a little above the average flow. When a disaster such as this occurs many millions of dollars worth of valuable and expensive construction is wiped out. Under these conditions we suggest that it is at least equal to the disasters which occurred in British Columbia and in Manitoba, and therefore we request that this be declared a disaster area.

The first essential is that some assistance be given toward flood control and the management of the areas where the flooding exists. The importance of the situation can be understood when it is appreciated that unless the flood waters now covering millions of acres of land are removed this year, it will be impossible for those farmers to sow any crop next year. The situation is not only important this year; it is a matter of concern to them even next year. It is on that basis that we think assistance should be given. Surely the federal government can see that it is in the national interest that those areas should be allowed to produce.

The people of the west are celebrating their golden jubilee this year. The people who inhabit the western provinces of Manitoba, Saskatchewan and Alberta overcame tremendous difficulties. They went in there 50 years ago as pioneers, not knowing the difficulties and the problems they were to face in breaking new land. They knew nothing of the hard winters and the blizzards they were going to face, and the difficulties of establishing themselves. There were no records of what the country would produce. Any records there were indicated that no one would ever produce wheat in that area, anyway.

However, they went there and they pioneered. They faced difficulties. They are the kind of people who can face difficulties. In fact, I think one of the things that has established the fine character of the people out there is that they learned to work together, they learned to help one another in adversity. By helping one another they have overcome their difficulties, and they have built the country that is there. It will take more than a flood to defeat those people. They merely ask that, in co-operation with their fellow Canadians, some assistance be given. They believe assistance should be made available to take care of unusual and abnormal expenditures that will be required as a result of this flood.

Reports coming to my desk already indicate that many farmers have been unable to go to town, to the shopping centres. Hundreds of bridges have been wiped out. Many of these people are going to be isolated on their farms unless they can get to town on horseback, or by some other means of transportation. With such a situation existing, Mr. Speaker, I suggest that it is Canada's responsibility to recognize its seriousness not only immediately but also with respect to the crop for next year.

They will find the government of that province willing to co-operate in every way to assist them in assessing the situation. The provincial government has undertaken surveys which will cover most of the areas affected, but it is utterly impossible for the provincial government or the municipal government to stand the costs of flood control and the drainage problems that face them at this time. I think it is only fair and just that assistance should be given. I feel sure the Canadian people would give their support to assistance to their fellow Canadians in a situation such as this.

Reports that have come to me in the last three days indicate that the situation started to ease somewhat in that area, but rains have begun to fall and the situation at this time is particularly grim. I point out to hon. members who are not familiar with the situation that the seeding of the wheat crop in that country in the good years usually starts around April and is completed around the middle of May. In the average seeding area of the province they like to have their crop in around May 15. Good crops have been put in as late as the beginning of June. These are usually coarse grain crops. Some parts of the western provinces have already seeded, but for about 40 per cent of the wheat farmers of that province there will be no wheat crop this year. They will be very fortunate if they are able to seed a coarse grain crop after the first week in June and harvest it this year; but for many thousands—

Mr. Howe (Port Arthur): May I ask a question? Did I understand the hon. member to say that only 60 per cent of the wheat

crop will be seeded this year? I believe he said 40 per cent of the crop will not be seeded.

Mr. Castleden: It is estimated that 40 per cent of the wheat acreage in the eastern part of Saskatchewan will not be seeded this year.

Mr. Howe (Port Arthur): What does the hon. member consider to be the eastern part?

Mr. Castleden: The eastern half of the province.

Mr. Howe (Port Arthur): That means 20 per cent of the acreage will not be seeded?

Mr. Castleden: I said that 40 per cent would not be sown to wheat.

Mr. Howe (Port Arthur): Twenty per cent of the whole province?

Mr. Castleden: Well, that would be approximately it, but there are larger areas in the west.

Mr. Gardiner: The hon. member is really speaking only of the area north of Moose Mountain.

Mr. Castleden: If the minister looks at the map which he says he has he will see that the area south of the main line of the C.P.R., even down in the Moose Mountain area, clean through to the Tisdale area and the Hudson Bay area in the north, is affected.

Mr. Gardiner: The map presented to the government yesterday showed the area as north of Moose Mountain.

Mr. Castleden: I shall be glad to have the minister's remarks on it, because I think the hon. member for Qu'Appelle will inform him that those large areas south of the Qu'Appelle river are very seriously affected, and certainly the Moose Mountain area as well. I cannot hear what the minister is saying. I shall be pleased to hear more from him on the matter.

I point out to the house that the next two weeks will be the critical period for the people in that area. The problem that exists, and the matter with which they are particularly concerned at the moment, is that of draining the excessive moisture off the land so that with the weather's co-operation next year they will be able to put in a crop. I am pleading with the government at this time to look at the situation in a sympathetic way. I presume they have already had their representatives out to assist the provincial government in a proper assessment of the situation, and that action will be taken equivalent to the needs of the people of that province.

Mr. Speaker: The hon. member for Comox-Alberni.

[Mr. Howe (Port Arthur).]

Mr. Barnett: Mr. Speaker, I have another subject which I wish to raise. If the hon. member for Dauphin (Mr. Zaplitny) is continuing with the same subject matter, I have no objection to his proceeding.

Mr. Speaker: Is the hon. member for Dauphin going to speak about the flood?

Mr. Zaplitny: Yes, sir.

Mr. Speaker: I shall make the same plea to the hon. member, because as I was listening to the hon. member for Yorkton I noticed that, although he did not speak on the Saskatchewan flood at the page I indicated earlier, on other pages, 3504 and 3505, he had spoken about the flood. I realize that his remarks on that occasion were brief, and that today he was enlarging upon them. Now I hope the hon. member for Dauphin will limit himself to the bare necessities in introducing new matters with respect to the conditions existing in Saskatchewan, because we have already had several speeches concerning the disaster which occurred there.

An hon. Member: The flood of words has been worse than the flood itself.

Mr. F. S. Zaplitny (Dauphin): I wish to take only a brief time, and the matter I wish to raise is a definite grievance so far as the province of Manitoba is concerned. Whilst the situation in Manitoba is not nearly as serious as that in Saskatchewan, nevertheless there are large areas in the northwestern part of the province which have now been subject to flood waters for the third year running. The reason I wish to raise this matter now is that I should like to hear from the Minister of Agriculture as to his plans with regard to extension of the Prairie Farm Rehabilitation Act.

Mr. Gardiner: Let me get along to my estimates and I shall tell you all about it.

Mr. Zaplitny: I should be very glad to wait until then if the minister would indicate at this time that it is his intention to bring in legislation, if necessary, or to extend the regulations so as to make the act applicable to all parts of Manitoba. We have had a very serious flooding condition in our part of the province, as I have said, for three years now. A number of representations have been made, not only by the municipalities, by individuals and organizations in that area but, as a matter of fact, by the provincial government of Manitoba through its minister of agriculture, who has joined forces with the three other ministers of agriculture in recommending to the federal government that the act be extended so as to include all

agricultural areas in the four prairie provinces. Until this time we have had no indication whatever as to the opinion of the government in that respect, and I think a statement at this time—

Mr. Gardiner: Mr. Speaker, if I may be permitted to answer my hon. friend at once, I may say that I have just answered a letter today from the minister of agriculture of Manitoba on that point, a letter in which he tells me that the question has been referred to the dominion-provincial conference.

Mr. Zaplitny: Mr. Speaker, I do not know just what the matter was that was referred to the dominion-provincial conference.

Mr. Gardiner: The very question you have just recited to the house; the question as to whether or not P.F.R.A. should be extended to all parts of the three prairie provinces.

An hon. Member: And British Columbia.

Mr. Zaplitny: Mr. Speaker, I am glad to hear at this time that the question was discussed between the province and the federal government. May I point out that the reason we consider this matter a grievance in Manitoba is that over the period of time the act has been in effect, since 1935 up to 1954, while the total expenditures under the act came to some $89 million, in round figures, only $5,860,000 was spent in the province of Manitoba, which represents a little less than 7 per cent of the total. With respect to Saskatchewan about $40 million was spent, which represents about 47 per cent; in Alberta a little over 46 per cent, for a total of $39 million, and a little over 3 per cent in British Columbia.

At various times when the provincial government of Manitoba has been approached for assistance for these areas that are subject to flooding, such as the constituency which I represent, parts of the constituency of Churchill and parts of Portage-Neepawa, the reply has been that as soon as the federal government makes up its mind whether it is going to extend the provisions of the act in order to include all parts of Manitoba, the province would be in a position to say what they are going to do.

There are several large projects which I have no doubt are beyond the capacity of the province, and which are very necessary. There is the recommendation that a dam or a reservoir be built on the Assiniboine river. There is the question of lowering the levels of lakes such as lake Manitoba, lake Winnipegosis and probably even lake Winnipeg. Projects of that nature are beyond the capacity of the province, quite obviously. Members of the provincial legislature—and I refer to members who support the government there—have stated in the provincial house that the federal government is discriminating against Manitoba. I am not going to say I agree with them, but that is their opinion.

If the minister would recommend to this government that the operations of that act be made equally applicable in Manitoba along with the other two prairie provinces, a great deal of that dissatisfaction and discontent might disappear. But on the face of it, from the figures I have just quoted, it certainly appears that in Manitoba we are not getting our fair share of the flood control work and other types of work that can be done under the act in order to prevent soil erosion and to hold back flood waters in the areas that have suffered.

I am going to leave it at that, Mr. Speaker. Since the minister has stated that the matter is to be discussed at the dominion-provincial conference, I hope that as soon as that conference is over the minister will come to this house with some legislation, if necessary, or will announce a change in the regulations to extend the act to cover all parts of Manitoba.

Mr. Gardiner: To get this correctly on the record, what I have said is that I answered a letter today from the minister of agriculture in Manitoba in which he states that the Manitoba government have submitted the question to the dominion-provincial conference.

Mr. William Bryce (Selkirk): Mr. Speaker, I have had a good deal of correspondence in connection with the problem on which the hon. member for Dauphin rose to speak. Before I begin, I wish to assure you that I have not spoken previously on the Saskatchewan flood. I wish to talk about my own constituency and the interlake country. I am the only member from there, so nobody else has talked about it. I was hoping that if I had the opportunity to speak on the motion to go into supply the minister would be able to answer my questions when the estimates come up. I still hope he will. He has now stated that he has had correspondence with the provincial government, and that they are going to bring up the matter and discuss it at the dominion-provincial conference.

I have a resolution from Gypsumville, which I am going to read into the record. There are people there who cannot get on their land to sow their crops or anything now. Some had practically no crops in 1954, and they have nothing in 1955. Those who had a little crop last year were brought under the P.F.A.A., but the man who never sowed a crop received nothing, and we do not have

P.F.R.A. in the interlake country yet. I am hoping we will get it. Some of these farms have been cultivated for 40 or 50 years. Yet today people are going across them in motorboats. There is no hope whatever that these fellows will be able to put in any crop. It is not as though it was new land that had just been broken, or anything like that. This land has been in cultivation for a long time.

Mr. Gardiner: Mr. Speaker, I rise on a point of order. I think that your ruling a while ago rules out me and everybody else. I therefore want to get this matter straight. The hon. member who is speaking and I had a heated discussion over this matter during the debate on the address in this house. The whole matter was up for discussion at that time. As a matter of fact I went over to the hon. member's seat and discussed the matter with him afterward.

Mr. Speaker: I recall that the hon. member has asked several questions on the orders of the day relating to the problem with regard to which the hon. member for Dauphin (Mr. Zaplitny) has entertained us, and the discussion of which is now being continued by the hon. member for Selkirk. As the minister recalls, the matter was debated on the address. There is no purpose in having repetition.

The hon. member must keep in mind the fact that when the estimates of the Department of Agriculture are before the committee he can speak as often as he wishes, and he can pursue the matter at that time. I would urge hon. members to realize that at this moment we are debating a motion to go into supply with the Speaker in the chair, and we are supposed to raise genuine grievances, not to repeat points which have been raised time and again since the beginning of the session.

Mr. Bryce: I am going to try to obey your ruling, Mr. Speaker; but believe me, if ever any man had a grievance, I have one speaking in behalf of these poor people in the interlake country who are being flooded out.

As far as the minister is concerned, I may say that he came over and spoke to me. I appreciated him doing so. But if he thought he was talking about my problem may I say that I do not think so. We were talking about P.F.A.A. down in the lower part of the interlake country.

Mr. Gardiner: My hon. friend was talking about P.F.A.A. being paid because the lands were flooded.

Mr. Bryce: Yes, but we were not flooded in the way we are now. I hope you are going to let me continue, Mr. Speaker, because I have waited for this opportunity. I have nursed this grievance until I could get this opportunity on the motion to go into supply.

The situation on the east side of lake Manitoba, where we do not have much arable land and not much cultivation goes on, is this. We have there the ranches and the people who raise cattle for a living. What is happening there is that these people have no place to graze their cattle. Some of them have already left. Some of them have sold their chattels and moved to town, thus helping to augment the 600,000 people who are unemployed. That is a bad situation. We want to keep as many people on the farms as we can.

Then let us look at the situation on the west side of lake Winnipeg. I have here letters I could read—but I shall not do so, Mr. Speaker—indicating that the water is taking away some of the land every day. The situation is worse this year than it has ever been. One fellow says that the water is high but the taxes are still higher, and we are paying the same taxes for less land every year.

The problem there is this. When these fellows go to the federal government they are told that they had better see the provincial fellows. Then when they go to the provincial fellows they are told that this is a navigable lake and they must see the federal government. It is a matter of passing the buck. It just keeps people running around trying to get something done. Now we are told that it is going to be taken up at the dominion-provincial conference.

Mr. Gardiner: No, I did not tell you that.

Mr. Bryce: You said the minister of agriculture, I think, in the provincial government has it on the agenda. How long are these people going to suffer in that way? I want to cut short these remarks. However, I want to read this resolution. It was passed at a meeting at Gypsumville at which there were 75 people in attendance, 22 of whom were directly or seriously affected:

> Whereas many of us have been totally deprived of the means of making a living at farming and ranching, while others have been very seriously affected by the lake waters flooding our lands—a condition that was prevalent in 1954 and is even more disastrous at the present time—and,
>
> Whereas under the best of circumstances it will be two more years before the waters can recede enough to allow us to use our land again, and
>
> Whereas those of us who have been growing grain on the flooded land have been left with no means to even grow feed for our livestock,
>
> Therefore be it resolved that we urge most strongly on the government responsible that measures be taken to allay the possibility of total

bankruptcy for some of us and grievous hardship for others—these measures to consist of compensation for the loss of use of the land in the form of cash payments to tide us over the critical period.

I have many more letters I could read, but I know that people are going to be angry with me if I take too long. I think it was the Minister of Agriculture who told me that between the dominion government and provincial governments they are spending $300,000 a year in order to alleviate the conditions brought about by this catastrophe. But it is a matter of "Live, old horse, and you will get corn". Something must be done now. Don't wait until the people are all dead and another generation comes along. I have brought this matter to the attention of the minister previously. I know he has replied that it was receiving attention.

Mr. Gardiner: Mr. Speaker will not allow me to do so, or I would answer the hon. member now.

Mr. Bryce: Yes, but your answers are so vague that I no longer have any faith in them. I am sorry to say that. I think the minister should take this matter seriously. It is no laughing matter. There are hundreds of farmers out there. I do not know whether or not they will ever recover from this catastrophe. I hope the federal and provincial governments will get together at the earliest possible opportunity in order to ascertain how the people in these distressed communities can be helped. I want to appeal to the Prime Minister and to the members of the cabinet for immediate action to help these people in their terrible plight at this time.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have no intention of pursuing the matter of flooding which has been raised by some of the hon. members who have spoken previously, even though I recognize that it is a most serious topic. The matter I wish to raise is one which quite conceivably could either augment or completely eliminate the flooding problem to which recent reference has been made.

The matter I wish to raise, Mr. Speaker, is that of rain-makers. I think this is a new topic as far as the current session of parliament is concerned. In raising it at this time I feel that I shall not be guilty of any undue repetition. Spotted at various points on Vancouver island are a number of rain-making machines. Some hon. members who know something of Vancouver island may wonder what we are doing with rain-making machines there. I know, for example, that one community in my constituency was recently described in a newspaper headline as having had 12 feet of rain in 12 months, and that was a fairly accurate statement.

Mr. Speaker: May I ask the hon. member if he will be kind enough to tell the house how he relates the matter of rain-making machines to the jurisdiction of the federal parliament? The hon. member must speak about matters which relate to our jurisdiction. It must be a matter concerning which we may be able to do something. If we cannot do anything about rain-making machines, the hon. member may not speak about them now. We have already had a speech on the weather this session, and perhaps we could be relieved now.

An hon. Member: Change the subject.

Mr. Barnett: In all seriousness I am raising this question, in part at least, because I believe it is one with respect to which the question of jurisdiction, constitutionally or otherwise, may well have to be dealt with. In view of the recent discussion I realize that my remarks may appear to Your Honour to be related to a certain flood situation, but I can assure you that at the time I decided in my own mind I would raise this subject as a grievance I was completely unaware that the other matter which has been discussed was going to be raised. In all seriousness, the situation is that on Vancouver island a number of rain-making machines have been set up. I took the trouble to go and view one of these installations which, if I understand correctly, operates on the principle of having silver iodide crystals released into a mechanism in which they are ignited.

Mr. Speaker: I must ask the hon. member to tell the house immediately how he relates the jurisdiction of this parliament to the conditions he is about to describe to us.

Mr. Barnett: Mr. Speaker, I assume this matter would come within the jurisdiction of the federal department, having to do with meteorological services; or would come within the purview of the activities of the national research council, and it is also a matter which could very well involve interprovincial relations. As I stated somewhat facetiously, I admit, in conversation with some of my colleagues, if this situation were permitted to develop it is conceivable that we in British Columbia would have the power to turn the entire prairie provinces into a desert by taking all the water out of the clouds coming in from the Pacific. Inasmuch as there does not seem to be any governmental jurisdiction at the present time, a serious question arises as to the right of certain private concerns to establish these installations.

Floods in Western Canada

Mr. Speaker: I want to be very generous toward the hon. member. I know what the situation is. Members have the right to raise grievances on the motion to go into supply, but I think the hon. member is finding it too difficult to relate his rain-making machines to the jurisdiction of this parliament. He has not said very much to establish that point; in reply to the question I felt it was my duty to ask him, he has not been very specific. If the matter the hon. member wishes to raise now is linked at some point or other with one of our federal departments, could the hon. member not wait and raise the matter when the estimates of the proper department are before the house? If he thinks it relates to agriculture he may deal with it on the estimates of that department. If he thinks it concerns the national research council he may discuss it on the estimates of the Department of Trade and Commerce, the minister of that department being responsible for national research council activities.

But not being quite sure at this time how or in what way it is related to the jurisdiction that we have here as the House of Commons, I think he should delay his remarks until he is more positive, and then use the machinery provided for him to raise these points as often as he wishes when the estimates of the respective departments concerned are before the committee of supply. If the hon. member does not feel he is being unfairly treated at this point I would urge him to consider very seriously leaving this matter in abeyance until a further opportunity is afforded to him.

Mr. Barnett: Mr. Speaker, it was precisely because of the fact that as far as I am concerned I did not know under which departmental estimates I might raise the matter that I felt this would be the appropriate occasion to raise it as a grievance.

Mr. Speaker: If the hon. member, in trying to find out to what department the matter belongs, makes a 40 minute speech and then finds out when the estimates are up that he should not have raised it at all because it does not come within the ambit of any department, he will have caused the House of Commons to lose 40 minutes of its time. This is a very serious matter. I think the hon. member should make sure that it lies within the jurisdiction of this parliament to do something about the matter before he proceeds to bring it up. In Beauchesne's third edition, pages 699 to 702, he will find a ruling which might give him comfort, but, with great respect, I am not in agreement with Mr. Speaker Sevigny's ruling on that occasion.

[Mr. Barnett.]

Mr. Barnett: Would I be in order to say that in the first place I had no intention of making a 40 minute speech? My purpose in rising was to put forward a grievance on behalf of some of the people in my district, and request that the government take under consideration the advisability of introducing some form of legislation to cover the situation. As far as I am aware no legislation exists at the present time, and it is on that point I wish to raise my grievance, the necessity for the consideration of the establishment of legislation to cover a situation which I feel to be a matter of general responsibility that can only be looked after properly by the government.

Mr. Fulton: Put it on the agenda for the dominion-provincial conference.

Mr. Barnett: Dr. Gordon Shrum of the University of British Columbia expressed the opinion some little time ago that the question of whether or not legislation should be introduced to control the installation of such machines could very well be taken under advisement. I assume it would come within the jurisdiction of the federal government under the Department of Transport or—

An hon. Member: External affairs.

Mr. Barnett: —some other department. As it is a matter of growing concern to the residents of my area I wished to raise it as a grievance on this occasion.

Mr. Speaker: The point the hon. member has in mind is so hypothetical that before he raises it as a grievance now I believe he should ascertain whether or not it is within the jurisdiction of this parliament to deal with the matter he has in mind. If we were to take his line of argument as being sound there are many things we would be trying to bring up in debate here, asking ourselves whether or not some day they would not fall within the jurisdiction of this parliament. The hon. member is reasonable and I do not think he will be prejudicing himself or the people he represents if this matter is delayed until the estimates of the proper department are before the committee of supply. In the meantime I feel it would be wise on his part not to press the point, and I am asking his co-operation at this time.

Mr. Barnett: I am quite agreeable to cooperate in the matter, Mr. Speaker. I believe perhaps the purpose I had in drawing the attention of the government and the house to the matter has been served well enough for the moment.

Mr. W. G. Weir (Portage-Neepawa): I do not know, Mr. Speaker, whether or not you will consider the remarks I am about to make

strictly in order. It is true that they could properly be made during the consideration of the estimates of some department, probably the Department of Agriculture, but my good friend the hon. member for Selkirk has prompted me to say a word or two with respect to the flood condition in Saskatchewan and Manitoba at the present time. If I should not continue with these remarks I shall abide by your ruling.

However, I would say this at the outset. While hon. members from Saskatchewan are complaining bitterly, and properly so, about the catastrophe that has occurred in their province as the result of abnormal rainfall and flooding, I say to you, Mr. Speaker, and to the members of this house, that much of that same water is finding its way down through the province of Manitoba and causing us some very serious problems there. I can imagine that right tonight on the Assiniboine river there are dozens and dozens of men out manning the dikes in an attempt to prevent that river from overflowing its banks. This river is taking much of the overflow that is coming from the province of Saskatchewan.

We cannot do anything about keeping that water out. It is an abnormal flow, it is true, but I assure you that the hon. member for Selkirk did not exaggerate the condition in Manitoba at the present time. I think he will agree with me that if any attack of a fundamental and practical character upon the situation were to be undertaken the cost would shock this house. I may say that lake Manitoba is over three and a half feet above normal, and this is causing considerable damage to the adjacent farmlands and to a very fashionable summer resort on that lake.

This lake flows into a lake in my hon. friend's constituency. The people on my side of the lake would like to open a channel and pour more water into lake Winnipeg, but we are faced with very violent protests at such a plan. I would suggest to this house that any plan of effective control would have to be carried right through to the Nelson river flowing into Hudson bay. I am only making this statement to give you some idea of the magnitude of the problem that is facing Manitoba.

At this time the Assiniboine river is carrying the bulk of this run-off water. It is threatening not only the low lands in the city of Brandon but many farm areas along the way. There has been a recommendation that the Assiniboine river might be dammed in the neighbourhood of Russell, a proposition which the engineers have estimated would cost in the neighbourhood of $6 to $10 million. There has been another suggestion that the Assiniboine river might be diverted into lake Manitoba, the lake which I have stated is already about three and a half feet above normal. This is another proposition that would cost from $6 to $10 million, to say nothing of the cost of a diversion to run the water from lake Manitoba into lake Winnipeg and then carry the whole thing out to the Nelson river.

We have another side of the problem which is not quite so serious with respect to the Assiniboine river. It is true these conditions are abnormal. We have had too much rainfall and too much snow for the ordinary streams to carry the run-off. In my opinion there is still another problem that has played some part, to a limited degree, in creating this situation. During the last 10 or perhaps 15 years we have had great advances in machinery, particularly bulldozers run by caterpillar tractors. They have been very useful and convenient in clearing scrub land. Much of the land that used to be bush or scrub has been cleared and put into production. In addition, the same machines have been found very satisfactory in making ditches and helping to build drains. The result of this has been to speed up the flow of water, so the ordinary facilities have not been able to take care of this very quick run-off.

I am sure anyone from Manitoba fully recognizes that Manitoba has a problem of considerable magnitude at the present time. If attacked in a practical and effective manner it is going to be extremely costly. It is a problem which I admit is beyond the resources of the municipalities and the province to cope with. At the same time, I do not think there is any disposition on the part of the federal government not to lend some measure of co-operation to Manitoba, just as the government has elsewhere in attacking these problems.

In saying that, I should like to be very specific and say that I do not think anyone is going to suggest at any time or any place that the jurisdiction or responsibility for attacking this problem in our province rests with the federal government alone. I do not think our people in Manitoba would welcome the end result which that sort of policy would mean. I do not believe Manitoba, while welcoming financial support, would say that sole jurisdiction for meeting the situation that has been created in our province should be turned over to the federal government.

I leave that with you. But I point out that we still have the recollection of other floods in our province which have had very serious consequences, and the remedy for which has not as yet been provided or attacked. Because of the particular topography of our province

cost requirements are presented to which no one has yet been prepared to face up.

These people along lakes Manitoba and Winnipeg and in the St. Martin area, and along the Assiniboine river are deeply concerned. Many of them have been seriously affected, and many are suffering heavy losses. Many of them, as in Saskatchewan, will find it difficult to seed a crop.

I might add, too, that we had one other serious misfortune this spring on that same Assiniboine river, something which no one could foresee, which no one could foretell, and against which no protection could be guaranteed. I refer to the ice jam which occurred on the river when it was almost at full flow. It caused considerable damage by flooding the lower reaches and necessitating the moving of several hundred families from Portage la Prairie. This in turn brought the problem of the river overflowing its banks and flooding an extensive area.

So I would not like it to be thought that the problem of flood conditions and excess water applies only to Saskatchewan. It may apply to Saskatchewan in a very serious manner, but it also applies to Manitoba, and at the present time largely because of water coming from Saskatchewan.

I have had discussions with several people including flood control committees, members of the provincial legislature, our own Minister of Agriculture and federal members from Manitoba, in an effort to see what approach would be considered the soundest and most logical to meet these abnormal conditions. The irony is, as the hon. member for Selkirk knows, that it was only a matter of 12 or 15 years ago that the Fairford river, which presents one of the problems in this picture, was dammed up in order to keep up the level in lake Manitoba. I offer this only as an indication of how abnormal conditions develop, and just how difficult they are to cope with.

It is one of those times when we have to sit down with those who are most affected and try to work out a solution that will be of value, whether through the building of dams, the building of further cut-offs, the placing of diversion channels or the buying up of lands of those who are affected. Some approach of that kind must be recognized. I believe it will be faced up to, and I would hope in the not too distant future.

VETERANS PREFERENCE FOR CIVIL SERVICE POSITIONS

Mr. J. W. Noseworthy (York South): Mr. Speaker, since this is an open field day for complaints I wish to use seven or eight of the remaining ten minutes this evening to register another complaint that has come to me from veterans in my riding. I would hope the complaint or grievance is ill-founded.

I find that as we get further from the war years there is a growing suspicion among veterans' bodies that less and less attention is being paid to that clause in the veterans' charter which gives them some initial preference in the matter of seeking employment in the civil service. Coupled with that is the growing feeling or suspicion that the employment of veterans particularly is gradually passing out of the hands of the civil service commission and being taken over by the heads of government departments.

I have received a number of letters from veterans stressing both these points. Then only a few days ago there came to my desk, as I presume it did to others, a series of resolutions adopted by the dominion civil service war veterans' association. This document contains some 18 resolutions calling attention to the grievances of members of that association, and I find that some of these grievances are in line with those I have received from individual veterans who live in my riding. It is to one or two of those grievances I wish to call the attention of the Secretary of State (Mr. Pinard) and the Minister of Veterans Affairs (Mr. Lapointe).

Among these resolutions is one asking that a representative of veterans' organizations be required to sit in as an observer at all civil service examinations. Officers of the Canadian Legion tell me that the practice is fairly generally followed, but I have had instances brought to my attention where veterans have left examinations after being assured by the small group of examiners or interviewers that they were qualified in every respect, only to find perhaps six weeks later that for some reason or another they had failed to pass the test.

Another resolution is to the effect that heads of all departments should be required to adhere to the principle of veterans' preference. The comment made, which is in line with individual grievances I have received, is to the effect that many heads of government departments when making appointments bypass entirely the principle of veterans' preference. Veterans tell me that even where positions are advertised stating that a preference will be given to veterans, upon application for such positions they have found that the positions have been already filled by persons on the government patronage list.

Then here is another resolution and comment. Here is a reputable veterans' organization which claims that veterans with pensionable disabilities lying in hospital are actually informed by letter that unless they maintain better attendance on the job they will be fired. I say that is no way to treat veterans. I suggest that a check-up be made, particularly with this association, to see what evidence there is for this charge.

Here is another charge. It is said that in many instances orders in council are superseded by departmental orders. There is a resolution to the effect that departmental orders be no longer permitted to revoke or change orders in council unless a new order in council has been passed. I say those charges, Mr. Speaker, are very much in line with some of the complaints I have heard and received in letters from veterans in my riding. They show that the further we get away from war the greater the tendency is to forget the debt we owe to veterans, and the greater the tendency to overlook them in favour of those who have not seen service.

I bring this matter to the attention of the government at the request of individual veterans in my riding and in support of the resolutions presented by the dominion civil service war veterans' association.

Motion agreed to and the house went into committee, Mr. Applewhaite in the chair.

Supply

DEPARTMENT OF DEFENCE PRODUCTION

85. Departmental administration and payments to Canadian Commercial Corporation and other corporate agencies for services provided in connection with defence purchasing and production, $6,391,430.

Mr. Harris: Stand.

Item stands.

DEPARTMENT OF FISHERIES

128. Departmental administration, $307,840.

Mr. Harris: Stand.

Item stands.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

208. Departmental administration, $487,991.

Mr. Harris: Stand.

Item stands.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

245. Departmental administration, $1,246,846.

Mr. Harris: Stand.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall follow the order of business I indicated on Friday night. However, I am not sure whether the Minister of Northern Affairs and National Resources, or someone on his behalf, will be able to take the Yukon quartz mining resolution.

On motion of Mr. St. Laurent the house adjourned at 9.57 p.m.

HOUSE OF COMMONS

Wednesday, May 18, 1955

The house met at 2.30 p.m.

QUESTIONS

T-33 AIRCRAFT CRASHES

Mr. Pearkes:

1. How many T-33 aircraft have crashed in Canada, since they were put into service as training planes?
2. How many inquiries have there been into the cause of crashes?
3. What has been the principal reason for crashes?
4. How much do these aircraft cost?
5. What is their average life span?
6. How many pilots have been killed in Canada in T-33 crashes?
7. How many were NATO students, and how many Canadians?
8. How many pilots have survived a training period in the T-33?
9. How many pilots have been rejected as not suitable for further training, as pilots, after starting training in these aircraft?

Mr. Blanchette:

1. 39, of which 30 were in training command.
2. In every case.
3. Error in judgment on the part of the pilot.
4. $200,000.
5. The T-33 has been employed in training command as an advanced trainer for air crew candidates since the fall of 1953 and has not been in service long enough to determine an average life span.
6. 33 pilots, including two who are missing. Of these, 25 were in training command.
7. 13 were NATO students.
8. More than 1,000 pilots have successfully completed their T-33 training period or are in process of doing so.
9. 86.

INTRAVENOUS OR MUSCULAR INJECTIONS

Mr. Balcom:

Are preparations intended for intravenous or muscular administration analysed by the food and drug branch of the national health and welfare department before being released for sale to the public?

Mr. Robertson:

Section 13 of the Food and Drugs Act requires that samples of all batches of organic arsenicals (arsphenamine, dichlorarsphenamine hydrochloride, neoarsphenamine, oxophenarsine hydrochloride and sulpharsphenamine) be not distributed until the Minister of National Health and Welfare has indicated that each batch is not unsafe for use. Each batch is analysed or biologically tested before being released for sale.

In addition, parenteral products controlled under section 12 of the act may not be sold until the minister is satisfied that the premises, in which the drugs mentioned in schedules C and D of the act are manufactured, are suitable and that the processes and conditions of manufacture are satisfactory to produce drugs that are safe when properly used. Schedules C and D include insulin, vaccines, sera and antibiotics.

Factories manufacturing these products are carefully inspected and samples are tested from time to time. Several batches of any new products added to any manufacturer's list are tested before being released for sale to make sure they are safe and samples are taken at intervals thereafter for test.

All other parenteral drugs are spot checked for safety and identity. Conditions under which these drugs are manufactured are also being checked by the food and drug inspectors.

TEESWATER, ONT.—POST OFFICE BUILDING

Mr. Robinson (Bruce):

1. Has any work been done on the site purchased for a new post office building in Teeswater, Ontario?
2. If so, what type of work?
3. Have plans been made for erecting a post office on the above mentioned site?
4. If so, what size and type of building do such plans call for?
5. When do such plans call for completion of the building?
6. Will there be living quarters in the post office building for the postmaster?

Mr. Bourget:

1. No.
2. Answered by No. 1.
3. Plans have not yet been prepared.
4. Answered by No. 3.
5. Answered by No. 3.
6. Answered by No. 3.

INCOME TAX BRANCH, WINDSOR, ONT.

Mr. Knowles:

1. In what building in Windsor, Ontario, are the local offices of the federal income tax branch located?
2. Are these premises rented, or is the building owned by the federal government?
3. If the building is owned by the federal government, from whom was it purchased, and when?

Questions

4. Who were the agents for the vendor or vendors in connection with the selling of this building to the federal government?
5. What price did the federal government pay for this building?
6. How much money has been spent by the federal government (a) on repairs and improvements to this building; (b) on upkeep and maintenance thereof, since the date it was purchased?

Mr. Bourget:

1. Building located at corner of London and Elm streets, Windsor, Ont.

2. Government owned.

3. Expropriated from the Sandwich, Windsor and Amherstburg Railway Company on April 23, 1952.

4. No agent.

5. Original building was expropriated on April 23, 1952, for $68,481.25, and a contract was awarded in June, 1953, to the Foundation Company of Canada, Ltd., London, Ont., for $484,248.03, for addition and alterations.

6. (a) $759.35.
(b) $53,898.31.

PRINTING BUREAU

Mr. Hodgson:

1. How much did the land and expropriation of property cost for the new government printing bureau building?
2. What was the cost of legal fees for such transactions?
3. Who were the law firms that handled these transactions?
4. What was the cost of furnishing?
5. What was the cost or estimated cost of landscaping?
6. What will be the total cost?

Mr. Bourget:

1. $545,080.37 (cost to date for site on which the building is erected).

2 and 3.

Jacques Bertrand	$ 883.35
François A. Binet	4,390.32
J. Ludovic Blain	1,388.55
Pierre Desrosiers	183.40
Rodrique Farley	1,531.10
Roy Fournier	3,221.68
Lucien Grondon	250.00
Arthur Labbe	1,355.00
Andre Lesage	4,500.79
Fernand B. Major	1,362.50
James A. Millar	729.35
Romeo Pigeon	40.00
Alexandre Tache	74.30
	$ 19,910.34

4. Requisitions have not yet been received by the Department of Public Works for furnishing the building.

5. Estimated cost—$150,000.

6. Total estimated cost—$14,000,000 (exclusive of furnishing).

[Mr. Knowles.]

SALE OF PUBLIC BUILDINGS, OSHAWA, ONT.

Mr. Starr:

1. Have tenders been called for purchase of: (a) the old post office building in the city of Oshawa; (b) the old customs building in the city of Oshawa?
2. If so, what tenders, if any, have been received?
3. Who were the tenderers?
4. What were the prices offered by each person tendering?
5. Have either or both of the buildings been sold?
6. If so, who was the successful bidder and what was the purchase price?

Mr. Dickey:

1. (a) and (b)—The old post office building and the old customs building together with land on which they stand having a frontage of 82·5 feet on King street and 140 feet on Wellington street in Oshawa, Ontario, were reported surplus to Crown Assets Disposal Corporation and advertised for sale with offers to be in the hands of the corporation by April 29, 1955.

2. None.

3. Answered by No. 2 above.

4. Answered by No. 2 above.

5. Answered by No. 2 above.

6. Answered by No. 2 above.

FISHING VESSEL INDEMNITY REGULATIONS, P.E.I.

Mr. Matheson:

Under the fishing vessel indemnity regulations:
1. How many fishing vessels, by counties of Prince Edward Island, are insured?
2. What amount of premiums has been paid?
3. How many insured vessels have been lost?
4. What amount of indemnity has been paid?

Mr. Sinclair:

1. No. of vessels insured at April 30, 1955—

Kings	27
Queens	23
Prince	43
Total	93

2. Total net premiums paid to April 30, 1955—

Kings	$ 311.05
Queens	252.70
Prince	688.46
Total	$1,252.21

3. No. of vessels lost to April 30, 1955—

Kings	..
Queens	..
Prince	2
Total	2

4. Indemnity paid to April 30, 1955—

Kings	.....
Queens	.....
Prince	$960.00
Total	$960.00

QUESTIONS PASSED AS ORDERS FOR RETURNS

ARMY STORES, CAMP IPPERWASH

Mr. Murphy (Lambton West):

1. Has an inventory of army stores and equipment at Camp Ipperwash, Lambton county, been made since 1945? If so, when?
2. Have any deficiencies in military stores and equipment been ascertained?
3. If so, what are the particulars and what is the amount of loss?
4. Has any of such loss been recovered?
5. If so, what are the particulars and from whom was recovery made?
6. Has any investigation been made by the Royal Canadian Mounted Police since 1945?
7. If so, when, and have any charges been laid as a result of such investigation?
8. Has the responsibility for such deficiencies been fixed?

Mr. Blanchette: Return tabled.

CF-100 AIRCRAFT

Mr. Dinsdale:

1. How many C.F. 100's have been produced?
2. How many Royal Canadian Air Force squadrons in Canada have been equipped with C.F. 100's?
3. Have any auxiliary squadrons been supplied with C.F. 100's? If so, how many?
4. If not, will auxiliary squadrons be equipped with C.F. 100's?

ATOMIC ENERGY FOR PEACEFUL PURPOSES

Mr. Argue:

1. What countries have requested scientific information from Canada on the development of atomic energy for peaceful purposes?
2. To what countries has Canada offered scientific information on the development of atomic energy for peaceful purposes?
3. What charge, if any, does Canada make for the provision of (a) information; (b) necessary materials, for such development of atomic energy?
4. What general fields does such information cover?

GOVERNMENT REAL ESTATE TRANSACTIONS—GUARANTY TRUST CO.

Mr. Noseworthy:

1. In connection with the purchase of property by the federal government or any agency thereof, since January 1, 1950, did the Guaranty Trust Company of Canada at any time act as agent for the vendor or vendors?
2. If so, what is the date and description of such transactions?

SELKIRK WHEAT

Mr. Argue:

1. How many bushels of Selkirk wheat had the Department of Agriculture in 1954, for (a) its own 1954 spring seeding requirements; (b) available for sale?

Inquiries of the Ministry

2. How many bushels, if any, were sold (a) in time for seeding in 1954; (b) too late for seeding in 1954?
3. How many bushels of Selkirk wheat, if any, did the department have on hand after the 1954 crop was seeded?
4. How did the department dispose of this surplus seed?
5. How many bushels of Selkirk wheat is it estimated are available in 1955 for seeding purposes?
6. How many acres is it estimated will be seeded to Selkirk wheat in Canada in 1955?
7. How many bushels of Selkirk wheat have been exported to the United States since July 1, 1954?

AGRICULTURAL PRODUCTS

MEASURE TO ESTABLISH NATIONAL STANDARDS AND REGULATE TRADE

Right Hon. J. G. Gardiner (Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to establish national standards for agricultural products and to regulate international and interprovincial trade in agricultural products and to provide that the governor in council may make regulations for the licensing of dealers to deal in any agricultural products shipped from or to a place outside the province in which such dealer carries on business, and for the issue, cancellation and suspension of such licences, including the prescribing of fees for the issue thereof.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

EXTERNAL AFFAIRS

REQUEST FOR STATEMENT ON NATO MEETING AND INTERNATIONAL SITUATION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): In welcoming the Secretary of State for External Affairs back to the house, I should like to ask him whether he is prepared to give a general outline of his visit to NATO and also whether in his opinion events of recent days in the U.S.S.R. are indicative of a more hopeful international attitude?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, there may be a suitable opportunity in the near future to report on the NATO council meeting and other developments of recent weeks, and I would be glad to take advantage of the opportunity if it should arise.

As to the second part of the question, all I would say is that we have ground, as the result of recent developments, for some satisfaction and, indeed, some optimism, but no

ground for exultation or no ground for believing that we have yet reached the end of the period of the cold war. My own view is well described by the phrase that has been used by the President and the Secretary of State of the United States, namely that we can be cautiously optimistic as a result of recent developments.

Mr. M. J. Coldwell (Rosetown-Biggar): Could the defence estimates be expedited so the minister might make a statement on the NATO meeting in connection with those estimates? I notice he said he would do so at an early opportunity if that opportunity should arise.

REQUEST FOR STATEMENT RESPECTING RELEASE OF 16 POLISH WAR VETERANS

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, since the minister has just returned I shall not ask him for an answer today, but I wonder whether he would be prepared to make a statement tomorrow with regard to representations to the government of the U.S.S.R. respecting the release of the 16 heroes of the Polish underground movement who were arrested, spirited away to Russia and detained there from 1945 on, and whose terms of imprisonment appear to have expired now.

Hon. L. B. Pearson (Secretary of State for External Affairs): My colleague the Minister of National Health and Welfare, who was the Acting Secretary of State for External Affairs in my absence, has been looking into this matter. I believe he can make at least an interim report on it now, if that is agreeable.

Hon. Paul Martin (Minister of National Health and Welfare): My hon. friend will recall that when he asked this question the other day, in the absence of the Secretary of State for External Affairs, the petition to which he directed attention had not been received. On Tuesday last the petition was received. A delegation presented the petition, and included in that delegation was the daughter of one of the soldiers whose whereabouts concerns us all.

I assured the delegation, on behalf of the government and of the Secretary of State for External Affairs, that the government of Canada would give the matter its sympathetic interest and follow through with the closest attention.

Mr. Fleming: May I ask if, having regard to the fact the government of the United States appears to have made representations or presented a note on this subject already to the governments of the U.S.S.R. and Poland, the Canadian government will consider parallel action?

[Mr. Pearson.]

Mr. Martin: I may say that consideration is being given to all aspects of the problem. We want to act in a way that will be the most effective.

TRADE

REQUEST FOR MEETING OF UNITED STATES-CANADIAN CABINET COMMITTEE

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. In view of the concern in this country that United States trade policies may endanger Canadian markets, will there be another meeting at an early date of the United States-Canada committee of cabinet ministers in order to discuss trade problems?

Right Hon. C. D. Howe (Minister of Trade and Commerce): This session of the parliament of Canada is drawing to a close and the session of the congress of the United States is drawing to a close, so I believe it would be difficult to arrange a meeting at this time. As soon as both legislative bodies complete their work I hope we can arrange a meeting.

Mr. Drew: Do I understand, Mr. Speaker, that the minister is announcing the prospect of early dissolution of this parliament?

FLOODS

SASKATCHEWAN—REQUEST FOR STATEMENT ON FEDERAL AID

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Can the Prime Minister state whether or not the government has decided to consider the recent storm and flood damage in Saskatchewan a national emergency, and if so what assistance is it prepared to give?

Right Hon. L. S. St. Laurent (Prime Minister): On Monday three members of the Saskatchewan government were here and met three of my colleagues and myself. We had a conference that lasted something over an hour and a half, during which they left with us some briefs and surveys that are being analysed now by our officials in the light of what was done in cases where the federal government did make contributions toward reparation of damages that had been caused by like occurrences.

Mr. Diefenbaker: May I ask a supplementary question? Are the P.F.R.A. officials engaged in making a survey of the situation so as to place the government in full possession of the facts?

Mr. St. Laurent: Officials of the P.F.R.A. have been submitting, I will not say daily but quite frequently, reports on the examinations they have been making ever since this unusual storm took place there, and they are continuing to do that.

CIVIL DEFENCE

ALLEGED LACK OF CO-OPERATION BETWEEN UNITED STATES AND CANADA

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Minister of National Health and Welfare. It is a question I intended to ask a bit earlier, but I did not do so. Has the minister investigated why, on the occasion of the sighting of unidentified aircraft recently on the west coast, it is alleged that Canadian civil defence authorities received no word of it although warnings were flashed widely throughout the western United States as far south as California? Does this failure to notify Canadian authorities signify a lack of co-operation between United States and Canada in civil defence?

Hon. Paul Martin (Minister of National Health and Welfare): My hon. friend was kind enough to give notice of his intention to ask this question. I might say that the matter has been investigated, and in no circumstances could it be concluded that there is not the fullest collaboration between the civil defence authorities of both countries.

The situation to which my hon. friend directs attention arose out of an error in judgment on the part of a civil defence official in California. There was in fact no justification for the action he took, and his government has said so.

NATIONAL FILM BOARD

FIRMS PAID TO ACT AS DISTRIBUTORS—ALLEGED INADEQUATE ANSWER

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I should like to bring to the attention of the Minister of Citizenship and Immigration the fact that in answering a question in my name, in which I asked for the names of the firms paid to act as distributors for the national film board during 1954, he has given a page and a half by way of explanation as to why certain things could not be told—

Some hon. Members: Question.

Mr. Fraser (Peterborough): My question is that when I asked what these firms paid for the privilege of distributing these films, the answer the minister gave was that it cannot be stated what firms were paid. These firms are all paid to act, and I want an answer to my question. I might say this information was given to me a year or so ago, and the year before that, and I think I should have it for this year.

Mr. Speaker: The usual procedure when one has a complaint to make about an answer received is to deal further with it when the estimates are under consideration. The hon. member is entitled to ask a question at this stage. However, he is now reading part of the answer he has received which is not to his liking. At this stage I suggest to him that he is not allowed to present any argument, any more than is necessary to get his information from the government. He has asked one question and he should await the answer, and not recite the answer he has already received and comment upon it at this time.

Mr. Fraser (Peterborough): The answer I have here is the second answer I have received. I put the question on the order paper in one form and then, in order to try to get the answer, I put it in another form; and now I get an evasive answer. I do not think I should wait until the estimates are before the house.

Mr. Speaker: The hon. member must not forget that at this stage of the proceedings he must be satisfied with whatever answers he receives.

Some hon. Members: No.

Mr. Speaker: Even if he complains about the answer he receives, unless as a result of his comments he obtains a more satisfactory answer, there is certainly nothing the house can do about forcing a cabinet minister to give an answer different from that which, upon his responsibility as a minister, he has decided to give. If the hon. member wishes to debate the point, however, he may do so when the estimates of the minister's department are before the committee. That is the point at issue between the hon. member and myself. He has of course the right to discuss this answer which, in his view, is not satisfactory, but he is discussing it at the wrong time. That is the only point.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, with deference may I point out that Your Honour has raised a point that is in fact distinct from that which arose out of the form of the question itself. Your Honour has placed before us the fact that we must accept answers that are given. I would point out to Your Honour that the hon. member stated that on earlier occasions in successive years he has received answers

to questions in the same form, but that now he is denied similar information.

Since it appears that we are becoming increasingly bound by precedent, I do not think a precedent of this nature should be established by simply ignoring what would occur if this were allowed to pass. I submit, Mr. Speaker, that if a form of question that has been customarily answered is not answered now on the ground that this information should not be given, it is appropriate that the point be raised, because otherwise we simply close off sources of information. Since we do not know when estimates are likely to come up it might deny to the whole house, the government side as well as this side, information we should have for further debate.

I would ask Your Honour to reconsider the point you have just made, having regard to the fact that this in itself can become something in the nature of a precedent.

Mr. Speaker: The only precedent I could find was a ruling by Mr. Speaker Lemieux, in which he had asked an answer to be given because the one that had been produced had no relation at all to the question that was asked. In this instance the hon. member says the answer he has received is evasive. See *Debates*, volume II, 1925, April 6, 1925, ruling by Mr. Speaker Lemieux, pages 1916-7.

An hon. Member: It may be.

Mr. Speaker: It may be. That is a matter of opinion and of debate. At this moment there is nothing one can do, at this stage of our proceedings, by way of complaining about it.

Mr. Drew: Since the point has been raised, might I point out that what I was directing my remarks to was not the question of whether it was evasive. I immediately concede that that is debatable. What I am pointing out is that the hon. member has said that the question sought information which had been given in reply to similar questions in earlier years. Now he is confronted with the answer that this information will not be given. That, Mr. Speaker, suddenly changes the procedure which has been accepted and followed. To let that pass without challenge in some way would be closing another door to the type of information I believe hon. members are entitled to receive.

Mr. Speaker: If the hon. member feels that his rights have been encroached upon, then he must deal with the matter on a question of privilege. On the other hand, if at this stage of the proceedings he merely wishes to ask questions to further elucidate the answer he has received, he is entitled to do so. Beyond that, as far as I am personally concerned at this moment, there is not much else I can do.

The point may be more complicated than I can perceive at the moment. I shall look into the remarks of the hon. member and also the remarks made by the Leader of the Opposition, and if need be I shall clarify or modify the remarks I have made. Generally speaking, questions asked on the orders of the day are to be brief and of an urgent and national character. Whatever answers ministers feel free to give must be accepted as the answers. Even on questions on the order paper, if the minister says "No, I cannot answer this question", the question is answered.

On earlier occasions I have given the precedents with respect to that, and if necessary I shall give them again. But the particular point that has been raised by the hon. member, by way of complaining about the return received, which he feels is not complete—well, that is a different matter. I shall go into it further, and if necessary I shall give a ruling on it.

[*Later:*]

Mr. Speaker: With respect to the point raised earlier by the hon. member for Peterborough and pursued by the Leader of the Opposition, I should like to refer them to citation 137 of Beauchesne's third edition, which appears at page 67 and reads as follows:

> When the orders of the day are called by the Speaker and before they are read by the Clerk Assistant, it is the practice sanctioned by usage but not by any positive rule for members to make personal explanations or ask questions of the government in reference to . . .

Then down approximately at the middle of that citation I read the appropriate section:

> . . . or in respect to delay in obtaining returns or to the incompleteness of certain returns brought down under the order of the house; . . .

And so on. I think that is part of the case with which we were faced today. If hon. members look further in the same edition at citation 307, they will see the following:

> A minister may decline to answer a question without stating the reason for his refusal, and insistence on an answer is out of order, no debate being allowed. A refusal to answer cannot be raised as a question of privilege, nor is it regular to comment upon such refusal. A member can put a question, but has no right to insist upon an answer.

MONTREAL NEUROLOGICAL INSTITUTE

REQUEST THAT GRANTS BE PUT ON ENDOWMENT BASIS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question

to the Minister of National Health and Welfare. In view of the tremendous contribution made by the Montreal Neurological Institute to human well-being, will the government consider the plea made by Dr. Wilder Penfield at the recent annual meeting of the institute for the government's contribution to be put on an endowment basis to assist this institution in its great work?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, my hon. friend did not give me notice of his intention to ask this question. I am not complaining on this score, except that I shall say to him what I have said before about the question of notice. It would give me an opportunity sometimes to give I will not say a more detailed but a more effective reply.

Mr. Knowles: Take your time.

Mr. Martin: As my hon. friend knows, the government does give the neurological institute of Montreal an annual grant for operational purposes. In addition, under the national health program we have provided—I am speaking now from memory—well over half a million dollars worth of equipment. Then in addition there was slightly under one million dollars for construction of additional hospital beds. So I think the government, representing the people of Canada in this house, has evidenced its great interest in the very important institute which Dr. Wilder Penfield directs.

Mr. Knowles: May I ask a supplementary question. Will the minister take a look at the statement made by Dr. Penfield at the annual meeting of the institute last week and perhaps report further on the matter when we reach his estimates?

NATIONAL DEFENCE

INQUIRY AS TO TABLING OF WHITE PAPER

On the orders of the day:

Mr. O. L. Jones (Okanagan Boundary): I should like to ask the Minister of National Defence if he will table the white paper on defence as soon as possible so all members may have it for study well in advance of consideration of the defence estimates, and if he can say when he might be able to do this?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I wish to thank the hon. member for having given me notice of his intention to ask this question. The preparation of the white paper on defence is now complete and it is in the hands of the queen's printer. I am unable at the moment to indicate when it will be available for tabling. However, I expect to table it in time to give hon. members sufficient opportunity to study its contents before consideration of the defence estimates by the house.

TAXATION

AUTOMOBILES—REQUEST FOR CONSIDERATION OF REPRESENTATIONS OF DEALERS FOR REFUNDS

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of Finance if he has received a brief from the motor car dealers' association of British Columbia asking for his consideration of their request for a refund of the excise taxes paid on cars in stock on April 5? Would the minister say whether he will be able to give further and favourable consideration to this admittedly difficult problem, and whether he is able to hold out any encouragement to that association?

Hon. W. E. Harris (Minister of Finance): I received briefs not only from the British Columbia motor car dealers' association but from the national body, I think from all the provincial bodies, and from quite a number of individual dealers. Of course we accept these representations along with all others and give them our best consideration.

Mr. Fulton: Consideration is always welcome, but how about encouragement?

Mr. Harris: Encouragement is a word which I think is used on every occasion by this government as to its intentions with respect to the Canadian economy.

Mr. Fulton: Encouragement is also—

Some hon. Members: Order.

Mr. Speaker: Order.

Some hon. Members: Sit down.

Mr. Fulton: A supplementary question—

Mr. Speaker: The hon. member is making a supplementary comment.

Mr. Fulton: No, it is a question.

HOUSE OF COMMONS

REPORTED RESIGNATION OF MINISTER OF TRADE AND COMMERCE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. What comment does the minister care to make on the report in today's Toronto *Telegram* that he is resigning from the cabinet on October 23?

Inquiries of the Ministry

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, if there is a report that I am resigning from the cabinet, I suggest that any such report should come from myself. I am not aware of any report of that kind.

(Translation):

HOUSE OF COMMONS

FEAST OF THE ASCENSION—SUGGESTED ADJOURNMENT

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I would like to put a question to the Prime Minister.

Does the Prime Minister propose to recommend the adjournment of the house at six o'clock this evening until Friday on the occasion of the feast of the Ascension tomorrow, a religious feast of obligation observed by at least 45 per cent of the people of Canada who are Catholics?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the Prime Minister intends to let the house proceed as it has done in past years with regard to religious feasts which are not observed by all the members of this house and which, according to the traditions of the house, have not required adjournment.

Mr. Dufresne: Mr. Speaker, I rise on a question of privilege. I just directed a question which I think of great importance to the Prime Minister and to which he was kind enough to reply. However, while that reply was given, the member for Russell (Mr. Gour) twice uttered the word "hypocrite", which I request him to withdraw.

Mr. Gour (Russell): Mr. Speaker, I did not say he was a hypocrite.

Mr. Dufresne: Mr. Speaker, on the same question of privilege—

Mr. Speaker: The hon. member thought he heard an expression the hon. member for Russell has just said he did not use.

Mr. Gour (Russell): Not at all.

Mr. Speaker: I believe then that that statement should simply end the matter which the hon. member has raised.

Mr. Gour (Russell): I never used that word.

[Mr. Knowles.]

(Text):

ATOMIC ENERGY

NUCLEAR EXPLOSION OFF WEST COAST—CONSULTATION WITH CANADIAN GOVERNMENT

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I direct a question to the Secretary of State for External Affairs in connection with the explosion of the nuclear device off the west coast of North America. Was Canada consulted in that regard, in connection with the location or any other feature of the explosion?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I understand we were informed of that matter. I think that my friend the Minister of National Health and Welfare may be able to give more information.

Hon. Paul Martin (Minister of National Health and Welfare): Yes, Mr. Speaker. The Canadian government was informed and representations were made by the Canadian government in connection therewith.

RAILWAY ACT

INCREASE IN ANNUAL APPROPRIATION TO GRADE CROSSING FUND

The house in committee on Bill No. 259, to amend the Railway Act—Mr. Marler—Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Apportionment of cost of protection, etc.*

Mr. Small: Mr. Chairman, when the bill was before the house for first reading and subsequently for second reading, some question was raised with regard to the limitation that was submitted as one of the recommendations; I refer to the limitation of $7 million. Reference was also made to the recommendation as to maintenance, where they recommended that $200 be allowed for maintenance for each protection, and also to the matter of rules and regulations with regard to the enforcement of warnings and signals.

While these matters were touched upon, they were not sufficiently emphasized. When the bill was before the committee these matters were brought to its attention, but likewise it did not see fit to implement the recommendations particularly those regarded as restrictions on the amount that was to be given each year, namely $5 million. At page 91 of the report we find this:

> It would seem desirable at the same time to prevent money accumulating in the fund if for any reason the normal rate of activity in grade crossing projects remained below the available resources in the fund.

This was implemented in the report. On page 116 the recommendation is brought forward for adoption:

> Until parliament enacts otherwise there should be an appropriation of $5 million instead of the present $1 million, to the fund each year from April 1, 1954, with a proviso that where on April 1st in any such year there is an uncommitted balance of more than $2 million in the fund the appropriation for that year should be such sum as with the uncommitted balance will amount to $7 million.

When this matter was before the committee the minister gave the reasons for it and while—

Mr. Marler: Mr. Chairman, it seems to me that the remarks the hon. member is making apply to clause 3 of the bill, not to clause 1. In fact the section he has just read is subparagraph 5 of clause 3.

Mr. Green: With regard to the point of order which has just been raised by the minister, Mr. Chairman, may I point out that on the first clause of the bill, by the practice of this house, general discussion is allowed. The hon. member for Danforth is merely carrying out what is the custom.

The Chairman: Order. It is true that we allow a general discussion on the first clause of a bill, and if that is what the hon. member is doing of course I will not interfere. On the other hand, I invite the co-operation of hon. members in conducting a discussion at the most appropriate places, and if this can be discussed more appropriately under clause 3 perhaps that might be done.

Mr. Small: I was trying to make a general statement. I had three points to raise, and I thought it would be permissible. My comments will not take very long anyway.

Mr. Marler: I shall not raise any further objection.

Mr. Small: I was talking about a limitation of $7 million being placed on the fund. The minister thought it was not advisable to adopt that recommendation. The engineers were present at the committee and outlined the grade separation program. There were 65 on the list at that time, 11 of which were urban and were considered of major importance, the remainder being rural. With such a program in front of them it would not seem that the limitation would have any effect for probably four, five or six years, and therefore there would not seem to be any particular reason for pressing the point. On that ground we do not think it is necessary. I think the operations under the fund will use up the $5 million every year, and it will not be necessary to put the $7 million restriction into effect.

Then there is the question of maintenance. The board recommended that a $200 limit be established on contributions from the fund for the maintenance of any particular protected crossing. Recommendation No. 4 on page 116 of the report is as follows:

> Contributions should be permitted towards the annual cost of maintenance and operation of automatic signals installed at crossings after the amendment comes into force, the contribution in respect of any one crossing not to exceed for any year the actual cost for that year nor exceed $200.

As a result of its investigations the board was of the opinion that some consideration should be given to the maintenance of grade level crossings where protective devices had been installed. But for some reason or other, possibly because it was too expensive, the government decided that such maintenance was not necessary. To give the committee some idea of what the board thought about the matter I should like to read the following from page 72 of their report:

> At the same time the maintenance of roads and streets under municipal control has been growing more onerous. Without revenues derived from the automobile industry or highway traffic, the municipalities have acquired heavy new responsibilities which, unless outside assistance is obtained, must be met from their general tax rates . . . Such costs of construction and maintenance of municipal roads and streets are a substantial burden on the municipalities.

They go on further to point out, as was mentioned in the debate, that the average maintenance cost per year for rural crossings was $560 and for urban crossings $865. Therefore an amount of $200 for each protected crossing would not seem to be out of place. However, as the years go by the amount will pile up, and I suppose the government in its wisdom thought it would be a good thing not to act upon this recommendation at the present time. But the municipalities are the ones who are going to have to bear the burden, and they are not going to be helped to any extent. Their situation is set out quite effectively in the last paragraph I read from the report. At page 100 of the report the board went on to say:

> Because of the fact that the assumption of a share of the annual maintenance costs by the fund would create a continuing liability, we believe that any steps in this direction should be most carefully considered.

I presume that is the reason for the government's action. The report goes on to say:

> Nevertheless we feel that the cost of maintenance has been and will undoubtedly be increasingly a deterrent to grade crossing protection projects, particularly where small or financially weak municipalities are concerned. An expenditure for a capital improvement requires to be voted but once, and can be undertaken when the means are seen to be available. Maintenance expenditure, however, is in the nature of an overhead or fixed cost which may increase as general costs increase and cannot be amortized. For some municipalities

it may be entirely out of the question to pledge future tax revenues in this way. The railways' position is similar.

I believe the government should give consideration to this charge upon the municipalities because, as has been pointed out all through the board's report, the burden of meeting the cost is quite heavy and that is the reason the municipalities want assistance. We went along with the increase in the fund from $1 million to $5 million, though we thought it should have been considerably extended so as to cover the maintenance of protected crossings. I believe the government should make a concession there and allow something to help relieve the burden imposed upon municipalities. At page 101 of the report the board goes on to say:

> For these reasons, it would seem in order that the fund assume some share of the maintenance costs, since a good proportion of these will be incurred as a result of the proposed extended aid to new projects in the coming years. We would recommend that a fixed amount of $200 be the contribution from the fund toward annual maintenance and operation charges only on automatic signals installed at crossings after the date this provision takes effect.

From the language used by the board it is apparent they were quite confident the government would adopt their recommendation. I continue:

> Where maintenance of such installations was less the amount contributed would be only the total amount actually spent on maintenance. The remaining maintenance costs would be apportioned according to principles already laid down or previous practices of the board.

Notwithstanding that the committee has not seen fit to implement that recommendation, I think it would be wise for the government to at least take another look at the matter and reconsider its attitude, because on its own admission it is going to be a burden upon the municipalities. I do not think it would put too great a strain on the fund if a contribution of $200 for maintenance were granted. On principle the municipalities are entitled to some consideration.

I come now to the point which I consider the most important. It has to do with the rules and regulations for the protection of the public at level crossings. This subject covers a very wide field, including not only transportation but also industry. There are accident prevention associations to protect workers, notwithstanding that the workers may be indifferent and do not feel that the rules are necessary. Nevertheless the mounting accident toll in industry is such that precautions have to be taken to do something even for people who do not want anything done for them. In other words, after a fatality has occurred in an industry, on the highway or at a grade level crossing, the burden falls upon the taxpayers. It is not only the persons killed or injured who suffer; their families suffer also. Therefore all regulations that are laid down for the prevention of accidents have more in mind the protection of the families and the resulting drain upon some treasury or other.

When the question was before the committee even the railways recognized its importance, and the fact that something should be done to see that the regulations were enforced. They asked that some penalty be imposed upon those who disregard signals at grade level crossings. Devices are installed at crossings for the protection of the public and a lot of money is spent for that purpose, but then we do not take any measures to see that the signals are observed. In fact there is no penalty to make people observe them. It would be helpful, even if the penalty were only small.

The railways also emphasized the effect on the morale of their engineers and firemen who are involved in accidents. They can see the accident is going to happen, and they cannot do anything to stop it. The railways claim it has a devastating effect on their operators, and therefore the people using the highways and level crossings should be made to realize they must observe the warning signs. A request was made that teeth be put into the regulation by the imposition of a $25 fine, and I feel that is a good suggestion. I believe the government should give some consideration to implementing that recommendation made by the Canadian National.

I could go further and emphasize the portions of the report dealing with observance of the regulations. Mention is made on page 45 of the advance warning signs which are a matter of provincial and municipal responsibility. The report reads:

> As to the advance warning signs to be used, this is a matter for which the provinces and municipalities are primarily responsible. Under today's traffic conditions they are almost indispensable but the board has no authority to require the erection of such signs by the provinces or municipalities and the applicability of the fund has been limited to improvements at crossings.

This is a matter that concerns the railways, and I feel that we should be sufficiently interested to see that some form of assistance is given or some means found to enforce upon the people using the highways the observance of these signs. An accident is not always the railway's fault. Then on page 107 of the report we find this:

> Nevertheless the widespread concern with the problem of reducing or preventing grade crossing accidents is ample justification for the establishment of informal advisory committees. For the

time being, these should be on a provincial basis. Apart from the difficulties of working through a large national body, provincially organized committees would permit a great deal of the necessary preliminary work to be done more expeditiously. By this means, municipal and other representatives would become more quickly conversant with the general aspect of the problem and the particular needs within their own province and what actions could be undertaken to meet these needs.

I believe that part of the report is particularly applicable at the present time. In the future there will be dominion-provincial conferences at which this matter can be considered. It is a matter of public relations and the education of the public. The thing that brought this to my attention was the receipt in the mail the other day of the program for a national highway safety conference to be held in Ottawa from May 24 to May 26. Would it not be a fine move on the part of this government if such legislation were enacted, or some tacit understanding given that this legislation would contain a clause providing a penalty for disregarding railway signs. The good roads association is sponsoring this safety conference, and many other organizations are greatly interested in it. The fact that a conference is being called is, I believe, a good sign.

The program for the fourth plenary session of this conference mentions reports of delegate divisions on proposals for implementing a Canadian highway safety program and recommendations for continuation of the national highway safety conference. These organizations are greatly concerned, because highway safety vitally affects them. I believe the fact that there are public bodies so much concerned about this that they would like to have something done about it is a good start.

I am not criticizing the minister because nothing has been done. Everyone seems to have the same attitude toward the prevention of accidents. It is all right as long as it does not cost any money or cause any trouble. As soon as you enter the realm of a financial undertaking, then they more or less try to evade any responsibility. This program for the national highway safety conference is a good start. Probably the minister would be in accord with the aims of that conference. If the sponsors of the conference were smart they would have the minister there to address them.

In view of the fact that a start has been made on the establishment of a committee on a national basis I believe the government would be well advised, through the transport commission, to enter into some kind of arrangement with them as to the best means of implementing legislation that would give effect to these regulations concerning level crossings.

Those are my general comments on the deficiencies of this bill as it has been presented to the house. We are not critical of the government's proposition, but we feel a vast improvement could be made if some consideration were given to the three points I have mentioned.

Mr. Ellis: On several occasions, Mr. Chairman, I have made comments on this bill. I do not wish to go over any of the material that was discussed earlier, but I do feel that the evidence given before the committee indicates the need for further action toward the elimination of level crossings in Canada. I do feel that the evidence submitted by both the Canadian Pacific and the Canadian National indicates the need for greater emphasis on grade separation projects.

In the committee the Canadian Pacific representative gave us a table showing maintenance and operation costs of railway crossing protection devices during the year 1954. When one considers the relatively high expenditure each year on the maintenance and operation of these protective devices, one must consider just what we get for the dollar that is invested in those types of safety devices.

The report of the Board of Transport Commissioners for Canada has given us information concerning the number of accidents at crossings protected by automatic signal devices. We do know that in a seven-year period the accident frequency at crossings protected by automatic devices was 4·9 per year per hundred crossings. There was an accident frequency of 1·2 accidents per year per hundred unprotected crossings. It would seem that even though we spent money and the railway companies spent money on the construction and maintenance of automatic signal devices, they have not been altogether effective in reducing the accidents. We know there is a heavier flow of traffic across these protected crossings, but we have to consider the amount of money we are spending to protect these crossings. When we consider that in the light of the number of accidents I think it is quite obvious that we might be further ahead, from the economic standpoint, if we laid greater stress on grade separation projects.

In the committee I asked the Canadian National engineering expert about the life span of a subway, and he replied that it was something in the neighbourhood of 75 years. The maintenance cost of subways is relatively low, particularly in the earlier years. I hope

the government does not feel that this problem is solved with the passage of this bill or that it has discharged its obligations in connection with level crossing protection in Canada. I feel that the type of information we received in committee points to the fact that this is merely a start, and hope the government will pursue this matter and next session will go further toward the elimination of level crossings, particularly through grade separation projects. The hon. member for Danforth mentioned one matter that was discussed at some length in committee, having to do with safety devices at level crossings. It is one thing to build a protective device of some kind but it is quite another thing, of course, to have people pay attention to it. The representative of the Canadian National Railways was quite concerned about the fact that even if the railway company did erect protective devices, many of the travelling public would ignore them; and perhaps to some extent that is why we have a relatively high accident rate at protected level crossings.

The Canadian National Railways were most anxious that parliament should amend the Railway Act to make it a criminal offence for the driver of a motor vehicle to cross at a protected crossing when a signal is in operation. Since the subject has been raised by the hon. member for Danforth, while there might be some question from a constitutional standpoint as to the competence of parliament to amend the Railway Act to cover the matter in question, I would point out that in my own province of Saskatchewan we have in our vehicles act the very provision which I believe the railways are anxious to have placed in the federal legislation.

Section 134 of our vehicles act in the province states, in part, as follows:

> (2) The driver of a vehicle approaching a level railway crossing shall, when any signalman, any automatic signal or other safety device indicates the approach of a train, bring the vehicle to a dead stop, and shall not proceed until the signalman, automatic signal or device indicates that it is safe to do so.
>
> (3) The driver of a vehicle shall, before proceeding over a level railway crossing on the approach to which a sign indicating danger, or stop sign, is erected, whether or not a train can be seen or heard approaching the crossing, bring his vehicle to a dead stop at the danger or stop sign and shall not proceed until it is safe to do so.

As was pointed out by the representative of the Canadian National Railways, and from what I have learned in conversation with friends of mine who are railway engineers, perhaps the toughest part of an engineer's job, when approaching a level crossing, is when he sees a car approaching and does not know until the very last second whether the car is going to stop, or whether the driver will be so rash as to try to cross the tracks before the train reaches the crossing. Not only would we be doing something to eliminate accidents, we would be making railway engineers much happier if we were to have a uniform provision of the kind I have indicated.

Since in committee we did not decide whether the provincial or the federal government was competent to deal with the matter, I would ask the minister to make an investigation to learn whether it is possible to make such amendment to the Railway Act, perhaps following in form the act we have in Saskatchewan.

I believe this bill is good, as far as it goes. There can be no doubt that the increase to $5 million meets with the approval of all hon. members. However, I do not want the minister or the government to feel that the acceptance of this measure deals with the problem completely. In my view this measure only scratches the surface. While we support the bill wholeheartedly, I am hoping that at some future time the minister will find it possible to bring forward legislation to extend this principle.

Mr. Nesbitt: Mr. Chairman, first of all I should like to thank the hon. member for New Westminster for allowing me to speak in his place at this time. This afternoon I shall place before the committee an example of a grade crossing which, right today, illustrates in a practical fashion the weaknesses in both principle and detail to be found in Bill 259, now before us. While my observation will be directed to the first clause in the bill, I shall have some comment to make concerning other clauses.

In advance of making any comment, I think it might be well to place before the committee certain facts to show the relationship between the measure before us and the circumstances I shall set out. Apparently after consultation between the board of transport commissioners and the Canadian National Railways a decision was reached to make certain changes at a grade crossing in the town of Ingersoll, Ontario. The crossing in question is where the Canadian National Railways main line intersects provincial highway No. 2. Hon. members are no doubt aware of the fact that provincial highway No. 2 in Ontario is perhaps one of the busiest, if not the busiest, in the province, serving as the main link between Windsor and Montreal.

There is of course a great deal of traffic over this highway. Much of this is in the form of transport and truck vehicles, but there is also a large amount of tourist traffic in the summer months. In the past this crossing in Ingersoll has presented a great traffic hazard and has been the cause of many traffic jams. Some days it takes more than half an hour to make the crossing at this point.

I appreciate that in the past there has been some considerable difficulty. However, at the present time the highways program in Ontario is making headway, with the result that a new highway known as No. 401 is under construction, running parallel to highway No. 2 which, it is expected, eventually will take the place of that highway. I believe a portion of the new construction will be open for use this fall, by-passing the cities of London and Woodstock and the town of Ingersoll. I have taken some time to state the background, because it has a bearing on what I shall say later.

It appears that in the past this level crossing has been altered several times, and contributions to that end have been made from the fund. I shall not waste the time of the committee by stating details in this connection. However, I should like to read some paragraphs from correspondence which has taken place concerning this crossing, and which I believe tell the story very well. I would refer first to a portion of a letter dated May 2, 1955, from what appears to be the legal department of the Canadian National Railways. There is some uncertainty in my mind concerning the signature on the letter, and it occurs to me that the person here named may also be legal counsel for the board of transport commissioners. Perhaps the minister will enlighten us on this point.

This letter is addressed to E. R. Hopkins, secretary of the board of transport commissioners. It bears the file number 5087 and refers to "Protection at Thames street, Ingersoll, Ontario". The letter says, in part:

> With reference to your letter of February 17 last concerning protection at the above crossing, wherein, after an inspection by the board's engineer it was recommended that electric lights be installed on each of the present gate arms with a stand-by battery—

Then it proceeds to refer to previous improvements made at the crossing. At a later point the letter states:

> Conditions at this crossing are much more favourable and it is recommended that automatically controlled short arm gates with flashing light signals and bell be installed in lieu of the present mechanical gate as shown on drawing—

Then follow certain letters and figures identifying the drawings to which reference is made. It continues:

> Also enclosed herewith is detailed estimate showing the cost to be approximately $17,350 with an estimated annual maintenance cost of $825.
>
> It is considered that this type of protection constitutes an improvement made desirable by increased highway traffic, and it is therefore submitted that a contribution of 40 per cent of the cost be made from the railway grade crossing fund and the balance of the installation costs be assessed equally between the town and the railway company. It is further submitted that the cost of maintenance be shared equally by the municipality and the railway company.

I should now like to refer to a letter which was sent to the secretary of the board of transport commissioners by the solicitors for the town of Ingersoll, dated May 12, 1955. The pertinent part of the letter reads as follows:

> The municipal council of the corporation of the town of Ingersoll have carefully perused the proposed undertaking and they wish to object to such undertaking on the grounds that the share of the expenses allotted to the corporation of the town of Ingersoll on its 30 per cent basis would appear to be $5,205 and it would also appear that the annual maintenance cost of same to the town of Ingersoll would be $412.50 according to the proposal submitted to the board of transport commissioners.
>
> The town of Ingersoll is of the opinion that the protection given this crossing in the past by way of gates has been satisfactory; also the new super highway No. 401 which will pass within one mile south of Ingersoll when it is opened in about a year's time will considerably diminish the traffic which now passes through our town on Queens highway No. 2.
>
> May this letter be deemed a formal protest on behalf of the corporation of the town of Ingersoll to such an undertaking.

I wish to refer to a third letter. It is addressed to myself by the solicitors, Messrs. Start and Marshall, of the town of Ingersoll. The pertinent part reads:

> Dear Mr. Nesbitt:
>
> We are enclosing herewith a copy of the letter received by the town as an enclosure from the Canadian National Railways to the board of transport commissioners. We are also enclosing herewith a copy of our letter to the board objecting to this undertaking by the town in view of the cost of same to the town. The total estimated cost of installation is $17,350 and it is proposed that this be paid for as follows:
>
> Share from grade crossing fund—40 per cent, $6,940.
>
> Canadian National Railways share—30 per cent, $5,205.
>
> Town's share—30 per cent, $5,205.
>
> It is estimated also that the annual maintenance cost will be $825, and this will be assumed equally by the railroad and the town approximating $412.50 each annually.

Here is the situation, Mr. Chairman. I imagine the minister has never heard of a situation like this before. The municipality is objecting to the improvement in protection of the grade crossing. This must be the one case

in a thousand, but it exists nevertheless. This town does not want it for three reasons. The first is because of the cost allocation; second, the maintenance allocation; and third, it is entirely unnecessary because when the new highway is opened in the fall there will not be any traffic problem on this railway crossing since the traffic, which is the main objection and the main cause of trouble at the crossing now, will be very largely eliminated by the opening of a new highway.

The comments I should like to make are as follows. First of all there is the apportionment of costs. When Bill No. 259 is passed the apportionment will be 60 per cent to the grade crossing fund, 25 per cent to the railway, and 15 per cent to the municipality. Yet this letter indicates that the cost will be on the old basis of 40 per cent, 30 per cent and 30 per cent. This will make a very considerable difference. If this crossing protection is proceeded with against the wishes of the town of Ingersoll, at least it should be made very clear to the town that the apportionment will be on the new basis and not on the old. I do not believe any orders have yet been given.

This is a situation that will come up in a number of cases where it had been decided to build these crossings before the passage of the present bill. The minister might give us some assurance that any of these grade crossings that are contemplated and have been authorized at the present time will have their costs apportioned on the basis of the amendments to the act before us at the present time. I say that because it would make the following difference in this case.

If the apportionment as suggested in the present amendments were used, the grade crossing fund would have to pay $10,410 instead of $6,940. The railway's share would be $4,337.50 instead of $5,205, and the town of Ingersoll's share would be $2,602.50 instead of $5,205. I hope when the minister makes his remarks later on he will be able to give us some assurance on this point.

There is one other matter in connection with the apportionment that I am a little curious about. It has to do with clause 265 (2) (b), which reads as follows:

> In the case of reconstruction and improvement of a grade separation at a crossing, 30 per cent of such cost or $150,000, whichever is the lesser.

In the particular instance to which I am referring no grade separation is contemplated. It is merely a change in protective devices. It is not a grade separation. However, it is not quite clear to me why in the case of reconstruction and improvement of a grade separation the fund can provide only 30 per cent instead of 60 per cent, as is proposed in this bill, or 40 per cent, as was done before. I do not quite understand the principle behind that. I hope we may receive some enlightenment later on.

The question of provision for maintenance has been mentioned by the hon. member for Danforth. Bill No. 259 does not contain any provision for maintenance of those grade crossings out of the fund. As has already been mentioned, apparently this has been recommended to the government by the board of transport commissioners. It can be said that this provision for maintenance was not put in the bill, but it is hoped that the bill may be amended so the board can make certain allowances in some instances, because a great many of these municipalities, particularly the small ones, are heavily overburdened with taxes. Every hon. member knows that, and there is no need for me to go into the matter any farther. As I look at this bill I still think the government might improve it a little and provide for the maintenance of the grade crossings out of the fund.

The last thing I should like to mention has puzzled me a little in the past few days, and also other hon. members. I am wondering how the federal parliament by an act, namely the Railway Act, can force municipalities to pay for the construction and maintenance of grade crossings against their will. Such legislation, on the face of it at least, seems to be ultra vires, since it is an invasion of property and civil rights, specifically reserved to the provinces.

However, I believe two similar cases have gone to the privy council, which have decided the matter. The first case was that of Toronto *v.* the Canadian Pacific Railway, reported in 1908 Appeal Cases, page 54. The other case was that of Toronto Railway *v.* City of Toronto, 1920 Appeal Cases, page 426. I might say a summary of the judgments in these cases was that legislation by parliament imposing, in effect, charges upon persons benefiting from railway improvements to provide for the expenses of such improvements was upheld. The provisions, challenged because they imposed burdens on persons peculiarly within the jurisdiction of the province, were held, nevertheless, to be intra vires as being ancillary to the main purpose.

I do not think the question arises in this case of whether or not municipalities are emanations of the crown in the right of the province because I think that is clearly not the situation. Municipalities are clearly persons created by the provinces. Perhaps the minister might agree with the point that if

the provincial governments, who are in control of provincial highways, were ordered by the board to contribute to the cost of construction of grade crossings, the provincial governments would be perfectly within their rights to refuse to do so. However, I would be interested to hear any comments the minister would care to make in that regard.

The two cases I refer to were not exactly in point with respect to grade crossings. Even on general principles the privy council and other courts in Canada have frequently distinguished on the facts. I am not entirely satisfied yet that this legislation is not ultra vires.

I should like to suggest one or two thoughts to the minister and I would be interested, as I said before, to hear his comments. The questions that arise in my mind are, first, are grade crossings for the sole benefit of the municipality in which they are constructed? In many cases are not adjacent municipalities benefited, and should they not be assessed? How about provincial highways? The particular situation at Ingersoll to which I have just referred is not a matter of local traffic at all. The traffic here is mainly through provincial traffic from centres such as Toronto to London and Windsor. Those centres are benefited far more than the town of Ingersoll, which is being assessed. I think allowance should be made for this, if not at this time then in future legislation. In any event it seems to me unfair.

I know the principle has been recognized that the municipality should pay a certain portion of the cost of these grade crossings. It seems to me unfair that the municipality should be asked to pay anything. I know it will be said that the municipality benefits from the grade crossing. This is quite true, but I submit that the railroad and the grade crossing fund should bear the whole cost.

First of all there is a practical reason for this. The federal government provides funds for the railways, at least for the Canadian National Railways, and for the grade crossing fund. The federal government has greater means of raising revenue. As everyone knows, the municipalities have only limited means of raising taxation, and they are already overburdened with education and local road costs. It does not seem exactly logical or reasonable that the municipalities should be forced to help pay for the construction of grade crossings.

It is true that there is benefit to the municipality, but we must remember that the problem is created by the fact that the railroad is there. If there were no railroad there would be no need for a grade crossing and there would be no traffic problem at that particular point. I know it is certainly said that the municipalities benefit from the railways, which is quite true, but that should be considered more on a national basis. I believe consideration should be given, if not at this time then in the future, to further reduce if not extinguish completely the amount the municipalities have to pay.

I recognize that the government has considered the matter, and also that under the new apportionment of costs the municipality will pay must less than it had to pay before. We all appreciate this, but I think it should be carried a little further. After all, it is the position of the railroad tracks which creates the traffic problem.

I think I have said all I wish to say on this matter, but I shall conclude with one observation. The town of Ingersoll in the county of Oxford does not want this improved grade crossing protection, but I can assure the minister that the citizens of that county would be most grateful if the board of transport commissioners would divert their attention from Ingersoll to the Creditville crossing, seven miles east of Woodstock, where a grade crossing is badly needed.

Mr. Hahn: Mr. Chairman, this bill was considered at length in committee, and it is unfortunate that the report of the committee is not available so hon. members could be thoroughly acquainted with what was said during the discussion of the bill and its various aspects. It may be necessary to repeat what took place at that time, and thus some of the work already done will be lost.

We in this group support the main spirit of the bill, that is that additional funds be made available for the elimination of grade crossings. I think that is the general spirit in which everyone accepts the tenor of the bill. However, as I pointed out in the committee, this bill is not a complete answer to railway crossing deaths. It will help materially to cut down the number of accidents, but we are going to have accidents at railway crossings whether we have overpasses or underpasses and spend millions of dollars in erecting various types of signals.

There are other factors to be taken into consideration, more particularly the lack of caution on the part of many motorists. The automatic signals we have today definitely are not the answer, nor is the overpass or the underpass. People deliberately commit suicide by means of excessive speed, because they freeze at the wheels of their cars, and because of other human factors. Then there are the mechanical factors to be considered, as well as weather and other conditions. While this

$5 million we are setting aside for the grade crossing fund will be of material benefit, we cannot look forward to it cutting out all accidents.

The hon. member for Oxford during his remarks indicated that he felt there was a constitutional question involved in this first clause, under which the board is to fix the share of the cost to be paid by the municipal district. I agree with him in that respect. The hon. member cited two cases in which there was some question of illegality, but it is not established in my mind that this bill authorizing the board to apportion a share of the cost to the municipal district is completely intra vires.

The municipality is a creature of the provincial government and has authority vested in it as such. We are dealing here with a board which receives its authority by federal right. I question very much the right of any board constituted under federal authority to exercise this power on a municipal district which receives its power by act of a provincial authority.

We should examine this very closely. As is indicated, the town of Ingersoll, which the hon. member mentioned, seems to feel the same way about it. It does not want this particular overpass or underpass, which would indicate that it should not be forced upon the town unless it agrees to it.

On examining the bill further I notice that no provision is made for the construction of overpasses or underpasses in connection with new roads. I cannot understand the reason for this, because in the building of new highways, such as the provincial governments are building today, at times it would be better to spend a few thousand dollars extra in order to build a road along a route where it might be possible to use a natural underpass or overpass, as the case might be, whereas at the present time under the present system whereby no money is set aside to assist in the building of such a crossing, the provincial authority would take the easier route for the road and say, "Well, it is simpler; we will save a couple of hundred thousand dollars or a few thousand dollars". But that saving in itself would not be sufficient to build the overhead pass or the underpass.

I think something should have been set aside in the bill that made it possible to contribute something to it, and that is not included. We feel that the provincial government possibly, the federal authorities, the municipal governments and the railways should bear the cost of these crossings to a lesser or greater degree, depending upon the location and other factors and that a fixed sum should not be set aside for municipal participation.

There are certain factors that we require educating in. For instance, we need uniform road signs leading to railway crossings. There is no such thing in the dominion. I would suggest that possibly a certain part of this sum should be set aside for that purpose, in order to discuss and to discover the feasibility and the possibility of having a national system of road signs wherever there are crossings.

Then we should have a uniform law that might be passed in respect to approaches to railway crossings. I think the hon. member for Regina City mentioned this too. The province of Saskatchewan has some enabling legislation, I believe, and the province of British Columbia has legislation governing this matter. But there are in Canada provinces which do not have any such regulations. I would say that we would be well advised to see if it would not be possible to incorporate within our act, through agreements with the provincial governments, provision that there should be uniformity of regulation pertaining to speed and other factors, road signals and on roads leading to crossings.

As to motor vehicles approaching railway crossings, in the table that was given us in committee by the Canadian Pacific Railway I find they have, for instance, eight different types of protective signals.

People who come from other parts of Canada are not too familiar with all of these types. I can well remember in the early thirties when, in making a trip through the southern part of the United States, I came to the city of Reno. It is true that I happened to note this wigwag affair but I had never seen one before. I did not know what it was there for.

I had seen no railway sign such as we have here in Canada at this place. You can imagine my amazement when a train sped before the car at that moment.

That is an indication of the type of thing with respect to which I feel we should try to gain uniformity in this country.

Among the various types of protection that have been set aside by the Canadian Pacific Railway Company and apparently approved by the board are automatic bells, automatic danger signals, automatic wigwags, automatic flashing lights, automatic gates, manual mechanical gates, manual electric gates, and manual flashing lights. The numbers of them range from four in the case of the automatic bell to 270 in the case of the automatic flashing light. I know that we have uniform railway crossing signs at or before we reach

each of the crossings, possibly. But this white and black sign may not be efficient. It certainly does not appear to be sufficient or we would not have as many accidents at railway crossings as we have at the present time. For that reason I think it would be important that we should set aside part of this fund to make it necessary to have one uniform type of indicator to let the people know when they are approaching an automatic signal at a railway crossing or one that might be even manually operated. Certainly we should not have as many as eight different kinds.

In order to assist further in this matter I would also propose that we should set aside possibly a sum equal to what we have here for this railway crossing fund in this bill for the purpose of educating our high school students in the proper way of driving, the recognition of signals, and the traffic laws as they exist in the country.

Mr. Herridge: Mr. Chairman, I rise to express my support for the bill and for the remarks that have been made by the various members of this group on the resolution and on the second reading. There is no doubt about it that the passage of this legislation will assist in the improvement of a number of dangerous railroad crossings in Canada. However, even when this legislation is in effect the great majority of railway crossings will be unaffected and there will be a great number of danger spots left as they are at the present time.

The present railroad crossings are, generally speaking, marked with the usual signs, namely the white cross with the black lettering "Railroad Crossing". From my experience—and I am speaking from experience in the interior of British Columbia where you often have a motor road coming onto a track on a sharp curve and things of that sort—this type of marking is totally insufficient.

Mr. Marler: Does not the hon. member think that the type of marking is something that pertains to provincial responsibility?

Mr. Herridge: Excuse me, Mr. Chairman. I was just going to deal with that matter.

Mr. Marler: I am sorry for interrupting.

Mr. Herridge: I recognize that that matter is, to some extent, a responsibility of the provincial or other authorities. But with very little expense, by the use of road reflectors and the use of larger signs—signs well back from the crossings with reflectors on them—I think a great deal of the present hazard could be removed. I recognize the fact that in order to do this, co-operation would be required between the several authorities, federal, provincial and municipal.

I am rising, Mr. Chairman, because I am particularly concerned with this aspect of the question, namely the multitude of unprotected crossings which will not be affected by this bill. At very little cost I think that we can improve the situation as the result of co-operation between the federal, provincial and municipal governments and the railways concerned. I think that co-operation could be stimulated to quite an extent if the board of transport commissioners would insist on an improved standard of signs and markings at these crossings in general. If they improved their regulations, I think there would spring up from that action the co-operation between the various authorities which is necessary to give effect to their wishes.

I want to support what was said by the hon. member for New Westminster. I think we need uniformity in railroad signs across Canada. I think that is where there is a necessity for co-operation between the various authorities involved, including the companies.

Before sitting down I want to say also that I believe a great deal can be done to prevent the number of accidents we have by an educational campaign particularly in the high schools of this country. I think that is an aspect of the situation that has been overlooked. If we are able to make our people conscious of the dangers that exist through fast driving at these crossings and can make them conscious of the signs that are erected and of the care that must be taken to recognize them, I think something can be done in that respect. I think that we are not doing sufficient, as the result of co-operation between all the parties concerned with regulations from the board of transport commissioners, to do what can be done so easily at little cost in order to reduce greatly the hazards at many crossings that will not be affected by the terms of this legislation possibly for years to come.

(Translation):

Mr. Dufresne: Mr. Chairman, it is with a feeling of genuine satisfaction that I rise at this moment to take part in the discussion of this bill whereby it is sought to increase from $1 to $5 million the amount allocated each year for the protection of grade crossings.

It means, Mr. Chairman, that the Minister of Transport (Mr. Marler) and the government have at last realized that the human resources of this country are the ones that need the greatest measure of protection,

because in safeguarding our human resources we are safeguarding at the same time the future of our whole country.

However, I am a little puzzled when I consider the percentages that will be contributed by the three public bodies concerned, namely the federal government, the municipalities and the railway companies.

If I correctly understand the terms of the bill, 60 per cent, provided that amount does not exceed $300,000, will be contributed by the Canadian government, whereas a contribution of 25 per cent is asked of the municipalities and an amount of 15 per cent of the railways.

I want to point out right away that the railway contribution seems to me inadequate and unreasonable, considering the fact that the Canadian Pacific, for instance, operates right across Canada, or just about, except in the maritime provinces, and is reaping colossal profits. As far as the Canadian National is concerned, it is difficult to say as much, as every year it has to face a very considerable deficit, which is met by the taxpayer. This means that Canada's contribution will exceed 60 per cent, as the percentages allocated to the national railways would obviously have to be paid, and would certainly not be met, because, for a number of years, the national railways have operated in the red.

Mr. Marler: It is not so.

Mr. Dufresne: The minister can surely not state that, last year and the years before, the Canadian National Railways did not operate at a loss.

Mr. Marler: Does not the hon. member remember that the Canadian National had a surplus in 1953?

Mr. Dufresne: Yes, but, Mr. Chairman, as the saying goes, one swallow does not make a summer.

Mr. Marler: Do not go beyond the truth.

Mr. Dufresne: I am not at all going beyond the truth when I state that every year, or nearly so, the Canadian parliament is usually requested to make good the deficits of the Canadian National Railways. That is why I come to the conclusion, Mr. Chairman, that the greater part of the contribution that should actually be made by the Canadian National Railways will once again be paid by the government and, therefore, by the Canadian taxpayers.

In support of my argument, may I be permitted to draw attention to the condition prevailing more particularly in the city of Quebec. The municipality of Quebec is being asked to contribute 25 per cent of the cost of those improvements. No account is taken of the fact that Quebec city, like all other Canadian municipalities, gets only approximately 10 per cent of the total taxes collected, because the federal government gets the major part of the taxes paid throughout the country; yet, this city is being asked to pay 25 per cent of the cost of doing away with grade crossings, which are quite numerous, as you will find out, Mr. Chairman, when I give a list of them.

I believe that the municipality of Quebec is unable to pay such an amount, because the situation in Quebec city is undoubtedly one of the worst as far as the railway right of way is concerned.

One must not forget also that the city of Quebec has already made its contribution. Some will say it was a long time ago! However, Quebec city did give a million dollars in 1870 toward the construction of the Canadian Pacific line linking Quebec, Montreal and Ottawa. Later, it gave $400,000 toward the construction of the Lake St. John line of the Canadian National Railway system—

(Text):

Mr. Marler: Mr. Chairman, I should like to raise a point of order. The hon. member is telling us now about the connection of the city of Quebec with the early railroad history of Canada. I think it is a most interesting subject but I do not think it has anything to do with the bill we are now discussing. I would suggest he talk about the subject matter of the bill and not the financial condition of the city of Quebec.

Mr. Dufresne: On a point of order, I am not speaking about the financial situation of the city of Quebec. In this bill we are asking the municipalities to pay at least 25 per cent of the cost for the elimination of railway crossings in Canada. I do wish to say, as I said in French a few minutes ago, that the city of Quebec has in the past already contributed its share toward the construction of certain railways, and as far as I know the city of Quebec is not in any position today to participate to the extent of 25 per cent of the cost in the elimination of railway crossings. That is the only thing I

was saying, Mr. Chairman, and I do not think there is any point of order in that.

(Translation):

As I was saying, Mr. Chairman, the city of Quebec has done its full share and is not in a position, as far as I can see, to do more. I wonder why there should not be an increase of barely 15 per cent in the percentage which the railways are called upon to contribute in order to allow the municipalities to benefit from the elimination of grade crossings which, particularly in Quebec city, constitute a constant menace to public safety and a general traffic nuisance. It must be said, too, that they hamper the city's development since they literally plug up a number of its streets.

Which part will be reserved to Quebec city out of this total amount of five million dollars? This question makes me wonder a little. I wonder, as a matter of fact, if Quebec city would not simply be forgotten should it be unable to put up the percentage required of it?

I might recall here something that was said once by a representative of the railways. I will read this sentence which may be found in the brief presented jointly by the Quebec chamber of commerce and the city of Quebec to the board of transport commissioners, on February 3, 1954. This official representing the railway companies said, on May 13, 1953, at a general meeting of the study group on elimination of grade crossings in Quebec city:

(Text):

Our company is absolutely satisfied with the present general layout of its railway facilities in the city of Quebec and I believe, not a single dollar will ever be made available for their relocation or even for making any study or plan to that effect.

(Translation):

Mr. Chairman, I want to point out that grade crossings in the city of Quebec, as I said a moment ago, are a constant menace to public safety as well as a traffic nuisance, besides being prejudicial to the development of the city. They spread out from one end of the city to the other, starting in the county I have the honour to represent in this house and ending in the next county, that of Quebec East.

I see in this brief for example—I was already aware of that situation of course, for I believe I am familiar with my county—that every day a great many Canadian Pacific trains, passenger trains, freight trains or shunting engines, run on those tracks which cross the city from one end to the other. As I said a moment ago, they are a menace to public safety, a traffic nuisance and an impediment to the development of Quebec on account of the noise and the smoke they make. That is why, too, certain wards such as St. Sauveur, St. Malo and St. Roch, are dirty and blighted with falling real estate values.

The presence of this trackage prevents the opening of a great many thoroughfares which would be required for the development of the city of Quebec. Among these thoroughfares, are the following streets: St. Roch, St. Dominique, Mgr. Gauvreau, Sagard, Laberge, Chapel, Letellier, Baulac, Church, Caron, St. Anselme, Langelier Blvd., Chevrier, Rigaudville, Recollets, St. Ambroise, Carillon, Renaud, Bigaouette, St. Luc, Courcelette, Garagonthier, that is 22 traffic arteries in all. It also prevents the building of a large boulevard at the end of these thoroughfares, which would ease the east-west traffic, according to a general town planning program for the city of Quebec.

Mr. Chairman, would the minister be in a position to tell us in a few moments if this amount of five million dollars will be largely spent in areas most affected or whether it will merely be used to eliminate a few grade crossings here and there throughout the country? Representing as I do one of the Quebec city constituencies, may I be allowed to ask the minister to use his influence in order that a fairly considerable amount be voted soon, so as to demonstrate to the people of Quebec city that the government really intend doing something, first of all, for public safety, and then to prevent a large number of our people from falling into desperate circumstances because of unemployment. This woud be a profitable source of jobs and I would certainly not be slow in thanking the government should they decide to do something along this line. Before bringing these few remarks to a close, Mr. Chairman, may I be allowed to ask once more what it was my privilege to ask for here last year, namely that in the event of a start in the elimination of grade crossings in Quebec city, the construction of a new station just outside the city, at St. Sacrament boulevard, be undertaken concurrently in order to relieve traffic congestion.

Mr. Chairman, those are the few remarks I wished to make. I made them I think in an objective spirit and once more I urge the minister to take into consideration the plight of one of the cities where the problem is the most acute in the country. Quebec city has

too many level crossings, a danger to public safety. Only last year, at the Marie de l'Incarnation street crossing, a terrible accident took place. Let us make sure that such large amounts which we vote be used above all for the safeguarding of our most precious asset, human life.

(Text):

Mr. Jones: I am not going to speak at length, Mr. Chairman, but there are one or two points I should like the minister to clear up. Doubt has been cast by both the hon. member for Oxford and the hon. member for New Westminster on the legality of the enforcement clause in section 262. After a number of years of experience in municipal life, I am afraid that I must agree with them. I, too, doubt the enforceability of the clause if the municipality cared to fight it. I should like the minister to clear that up.

In the first place, I should like to know if municipalities are consulted officially before any steps are taken to authorize the disposal of the level crossing. Is an agreement reached between the municipality and the board of transport commissioners and the railway company or are the words in this clause to be taken literally that the order of the board is binding and enforceable against the municipality. If that is the case I should like to ask the minister if the municipality has a right of appeal to any court of law or merely to the board of transport commissioners. Perhaps the consent of the municipality would make legal enforcement a possibility. Frankly, I question the wording of the clause as it is. There should be some words there to correct the wrong impression that it gives as it now reads.

There are thousands of unprotected level crossings in British Columbia, and owing to the nature of the program that is being advanced it is obviously going to take many years to eliminate the bulk of them. I know of several dangerous crossings in British Columbia at which accidents causing death have taken place, but so far nothing has been done about them. What I should like to know is, has the transport board a system of arranging priorities for the removal of these dangerous crossings? If they have a system, how do they arrive at the priority of a given crossing? In arriving at priority, do they wait until some accident occurs or they are informed by some municipality; or have they their own system of checking annually all level crossings in Canada? I know that an annual check would be necessary in British Columbia, because some of the crossings are in locations where the moisture is excessive and the growth is wild. What may be clear one year may be hidden by the growth of young trees in the following year. Is there a system of making checks to follow the growth of trees, or is it just a haphazard, hit-or-miss system, under which when they have the money they do something to satisfy the one who is kicking loudest?

Mr. McIvor: Mr. Chairman, I had the pleasure of serving on this committee. Witnesses were called and examined thoroughly. Simple lines of questioning were followed by lay members on the committee, but the legal minds examined thoroughly.

I do not forget the thoughts I had in mind when the hon. member for Vancouver-Quadra questioned the witnesses. I said to the person sitting next to me that if this bill could stand up under that kind of questioning—and it did—it could stand anything. I always like to hear the hon. member question witnesses because, while he is a Conservative, he is honest and sincere in his questioning, and what he does is appreciated. Anyone who reads the report will surely agree with me that the bill should be passed.

Mr. Green: Mr. Chairman, after all this flattery from my friend from Fort William, I scarcely know what to say. However, I do agree that the bill was discussed thoroughly in the standing committee on railways, canals and telegraph lines. I believe we always try to carry on our discussions thoroughly in that committee.

For many years the question of grade crossings has aroused keen interest in the House of Commons, and it was as a result of that interest that the board of transport commissioners was requested to investigate the whole problem of railway grade crossings and to bring in a report. Hon. members know that the report was brought in about a year ago; in fact, to be specific, it is dated May 10, 1954. The legislation we are now considering follows that report.

I suggest we should bear that in mind, because the result is that the measure now before us is unlikely to be amended in the near future. It is presented as a result of the report, and in another year, or perhaps two or three years, there will not be the authority of a report behind any amendments which may be introduced by the government. For that reason I think we should be careful to see that the bill we are now passing is complete.

It is a matter of regret that there are two points with which the bill does not deal. I am afraid I cannot agree with the hon. member for Fort William when he suggests that all the defects were remedied in committee.

The first point which in my view should be covered has to do with the grade crossing fund being made available to assist in the cost of maintaining and operating safety devices to be installed from now on. There was a clear recommendation from the board of transport commissioners on that point. I refer of course to paragraph 4 of the recommendations which is in these words:

> Contributions should be permitted towards the annual cost of maintenance and operation of automatic signals installed at crossings after the amendment comes into force—

That applies to installations made from now on. It continues:

> —the contribution in respect of any one crossing not to exceed for any year the actual cost for that year nor exceed $200.

The minister dealt with this subject when he spoke on March 17. He pointed out that all the money should be used for new grade separations, or for improvements to old ones, and that no moneys should be set aside for costs of maintenance and operation. Then he added this, as it appears at page 2135 of *Hansard*:

> Perhaps I should add that if we become convinced at some future date that this would be a useful addition to the powers of the board in respect to the fund we would be quite prepared to consider it.

The evidence we got in committee from the railways on this point was very clear. The Canadian Pacific Railway filed a table showing that in 1954 the cost to them of maintaining and operating highway crossing protection devices was $452,033.

Mr. Marler: That was not for maintenance alone, was it?

Mr. Green: The amount for maintenance was $179,227 and that for operation was $272,805, making the total of $452,033 I have mentioned.

Mr. Marler: I think that amount included sums paid to operators of manual protection devices, did it not?

Mr. Green: My understanding is that this was the total cost to them of maintaining and operating these highway crossing protection devices. And, mind you, they were not paying the total cost, because a proportion of that cost was paid by the municipalities, except in the case of automatic danger signs where the railways paid 100 per cent. In connection with automatic bells they paid 80 per cent; for automatic wigwags, 62·5 per cent; for automatic flashing lights, 52·8 per cent; for automatic gates, 66·2 per cent; for manual mechanical gates, 64·7 per cent; for manual electric gates 65·0 per cent and for manual flashing lights, 61·1 per cent. The difference was paid by one municipality or another or, in certain cases, possibly by a province.

These costs represent the costs of protecting level crossings, and are costs just in the same way as the amounts paid for grade separation projects. I cannot see why some assistance should not be made available from the grade crossing fund.

One result of the failure to give help in maintaining and operating these devices is that the municipalities will hesitate to make application for warning devices. The hon. member for Oxford has given a very good example today, when he tells us that the town of Ingersoll does not believe it should have to pay half the cost of maintaining and operating certain safety devices. I cannot understand why the minister and his department failed to implement that particular recommendation in the legislation that we are considering this afternoon.

The other point which I believe should have been included in the bill was based on a request made by the Canadian National Railways. Mind you, the Canadian National Railways have never been very forward in making suggestions about legislation to the committee. In most cases the Canadian Pacific Railway has to do the leading in requesting changes and, of course, the Canadian National Railways benefit by whatever changes the Canadian Pacific Railway can bring about as a result of the representations. But in this particular instance, the representative of the Canadian National Railways made a very clear-cut recommendation to the standing committee. He pointed out that there is no penalty clause in the railway act under which a person who has failed to pay attention to a safety device installed on the order of the board can be prosecuted. In other words, he was not referring to devices which have just been installed by the railway without an order, but to devices that the board of transport commissioners have ordered installed. He said that attempts had been made to prosecute people under the reckless driving provision of the code, but without success. The Canadian National Railways found itself unable to take adequate proceedings against a person who failed to heed those safety devices. He recommended that there should be a subsection written

into the Railway Act. It would be subsection 2 of section 416, and would read as follows:

Any person who, in using any highway crossing at rail level for the purpose of passing on foot—

It has wider application than over a motor vehicle; it applies also to foot traffic. I continue with the proposed subsection:

—or in any vehicle along such highway across the railway, disregards signs, signals, or other protective devices erected or otherwise provided by the company pursuant to order of the board, is liable, on summary conviction, to a penalty not exceeding $25.

The first clause of section 416 provides a penalty for a person who walks across a railway instead of going over a foot bridge, where there is a foot bridge in existence. I do not think there can be any doubt that if clause 1 is within the jurisdiction of the dominion parliament, the proposed clause 2 would also be intra vires.

The representative of the railway said that if this provision were written into the law he believed it would help to cut down the number of accidents. I believe there was considerable support in the committee for this submission but the minister declined to accept such an amendment and of course it was not written into the act.

The final disposition of the proposal was that the minister would write to the different provincial governments asking them if they had any objection to there being a provision of the kind suggested written into the Railway Act. I do not intend to go any farther with this matter today, but I urge upon the minister once more that he accept this recommendation which was made by the Canadian National Railways and was supported by the Canadian Pacific Railway Company.

None of us likes to see more penalty clauses written into legislation. There are, of course, many, many penalty clauses of all kinds facing every Canadian every minute of the day that he or she is awake; but here is a suggestion which fits in with the purposes of the grade crossing fund, namely, to cut down accidents at level crossings. I do submit that the suggestion could very well be accepted by the minister and the government.

(Translation):

Mr. Marler: Mr. Chairman, first of all I want to answer the suggestions of the hon. member for Quebec West (Mr. Dufresne). He spoke at some length about the situation in Quebec city, which is known to me, as I have often travelled by rail to Quebec. But I must say that in order to improve the existing situation in his city, it would be best to vote in favour of the measure which is now under consideration.

This legislation will put at the disposal of the municipalities willing to undertake projects of this kind—which are needed in the city of Quebec—much more considerable amounts than the latter was able to get under the act now being amended.

(Text):

I should like to try to deal summarily with the principal matters which have been raised during the discussions this afternoon. I think the first and perhaps the most important point mentioned is the increasing of the annual contribution from $1 million to $5 million. I think there has been in the minds of several members of the committee the thought that it would have been desirable to have provided a larger sum than $5 million. In that connection I should like to quote a paragraph from the report of the board of transport commissioners, which will be found on page 59 of the printed report, in which they say:

It is our considered opinion that a program of these proportions would represent the maximum amount of use of the fund grants at this time, and that any attempt initially to carry out a larger annual program would be subject to several objections: (1) the additional financial aid from the federal government would necessarily be applied to less urgent projects, and the value of the projects relative to other types of expenditure would be less; (2) as long as the grade crossing program remains a co-operative one—and we are strongly of the view that it should so remain—an expansion of federal grants without regard to the ability of other parties to finance their share would either cause an unwarranted strain on railway or municipal finances or leave a certain portion of the available grants unused; (3) apart from financial and economic limitations, there are also limitations of skilled labour, engineering personnel, equipment and similar items to be considered. Even on the program which we have suggested, we are not assuming an adequate supply of these factors will always be on hand.

I think that paragraph gives a very convincing reason why a larger sum than $5 million was not recommended by the board. As hon. members know, the bill, in that respect at least, embodies the recommendations of the board itself.

Another point on which I should like to touch, Mr. Chairman, is the concern expressed by the hon. member for Danforth with regard to the provision that if the uncommitted balance in the fund at the end of any year exceeds $2 million, then the appropriation for the ensuing year is to be reduced accordingly. I think if hon. members will examine the report of the board they will find that that provision was suggested by the board so that there would not be an accumulation of uncommitted funds in the

grade crossing fund. I think it will be perfectly obvious to all who think about it for a moment that if there are uncommitted funds in the grade crossing fund it will be because there are no projects before the board which it is willing to approve.

The hon. member for Regina quoted some figures with regard to the number of accidents at protected crossings and contrasted them with the number of accidents at unprotected crossings. From those figures he drew what seemed to be an unwarranted assumption that because the accident rate at protected crossings was greater than at unprotected crossings we should re-examine the whole question and lay greater emphasis on grade separations.

I think the hon. member has failed to realize that one reason why the ratio of accidents at protected crossings is higher than at unprotected crossings is that the volume of traffic is substantially higher and therefore the possibility of accident much greater.

Mr. Ellis: May I point out to the minister that I mentioned specifically the fact that the accident rate was due to the greater volume of traffic.

Mr. Marler: Then probably we are in agreement as to the cause, although perhaps not as to the assumption or inference that ought to be drawn from these statistics. At all events I do not think there is any real difference of opinion between the hon. member and me. I think we are probably agreed that at the heavily travelled crossings it is desirable, where possible and where finances permit, to have grade separations rather than automatic or mechanical protection.

At the same time I do not think that we should overlook the fact that protection is highly important. I think the board believes that it is just as important to provide protection at level crossings, particularly where the volume of traffic is not of heavy density, as it is in the case of urban municipality crossings. I suppose that inevitably the provision of flashing lights, bells and short-arm gates will continue to be the basis of any protection program carried out by the board.

I should like to reassure hon. members, particularly those representing rural constituencies, that it is certainly not the intention of the board, if one may judge from what is said in their report, to concentrate their expenditures strictly in the urban areas and overlook the important advantages that would accrue from establishing protective devices at what I might refer to as grade crossings in rural areas.

A good deal of stress has been laid by hon. members on the desirability of embodying in this bill a provision for a penalty for those who disregard signs which are placed by order of the board of transport commissioners. I should like to repeat what was said by the board because similar representations were made to it during the course of the inquiry. I should like to quote from page 69 of the report as follows:

> Other suggestions, more closely allied to motor vehicle operation, including those of an educational nature respecting public observance of grade crossing signs and protective devices, compulsory speed reduction and compulsory stopping of vehicles under certain conditions, and the strict enforcement of prescribed highway safety regulations were placed before us.
>
> These are matters not within the jurisdiction of the board but, nevertheless, they are of interest to the board and might usefully meet with the attention of the provincial committees herein elsewhere suggested, as they constitute a part of the overall problem of highway accidents concerning which there is a rapidly amounting national awareness.

As some hon. members have pointed out, when this bill was before the standing committee, counsel for Canadian National Railways suggested that an amendment be made—I think the hon. member for Vancouver-Quadra gave the substance a few moments ago, if not the text, of the proposed amendment—and then suggested to the committee that if there was legislation of this nature it would be possible for the railways to prosecute persons who disregarded protective signs.

I must say that I have not been wholly convinced as to the sincerity of those statements because if there had been a desire on the part of the railways to prosecute offenders there were already several statutes on the books of several of the provinces of Canada under which prosecutions might have been laid. It was not necessary that they should prosecute solely for reckless driving. This afternoon one hon. member referred to the legislation in Saskatchewan and I had occasion the other day to refer to the legislation in Nova Scotia. Section 117 of the motor vehicle act of Nova Scotia reads:

> Whenever a person driving a vehicle approaches a highway and railway grade crossing and a clearly visible or positive signal gives warning of the immediate approach of a railway engine, train or car, it shall be an offence for the driver of the vehicle to fail to stop the vehicle before traversing such grade crossing.

There is similar legislation in British Columbia. I think the fact that there is this legislation demonstrates two things. First, that if the railways desire to prosecute there is legislation available in many of the provinces under which action can be taken

and, secondly, the fact that this legislation has been adopted by the provincial legislatures shows that this is a subject which comes properly within the purview of provincial legislation dealing with highways. For these reasons I think the board was quite right in indicating in its report that this was a matter to be dealt with by provincial legislation and not by an amendment to the Railway Act.

The hon. member for Vancouver-Quadra referred to a section of the Railway Act, I think it was section 416. I do not believe that the principle embodied in section 416 is comparable to what we are talking about. The existing provision relates to persons passing on foot across the right of way and I do not think that this is a matter of dealing with the right of way part of the highway. Clearly this is legislation which refers to the movement of vehicles on highways and it should be dealt with by the provinces.

The hon. member for Oxford spoke about a crossing in the town of Ingersoll. Perhaps that case will give me an opportunity to answer another question at the same time. I think the situation is simply that the correspondence which the hon. member read emanated, as I understood it, from the Canadian National Railways and representatives of the town of Ingersoll. I would think that the proper course for the town of Ingersoll to follow would be to take up the matter with the board of transport commissioners. I have made inquiry and am informed that it is not the practice of the board to make a mandatory order to force a municipality to carry out works of protection which they are unwilling or unable to do. So that, Mr. Chairman, in the case of Ingersoll, if the town authorities will communicate with the board of transport commissioners, I am sure that any representations they may make will be considered sympathetically by the board.

At the same time I should like to say just this further word. The question has been raised with regard to the constitutionality of the provision under which the board of transport commissioners may assess a portion of the cost of a grade crossing protection or a grade separation project upon a municipal corporation. It seems to me that it should not be overlooked that this is a provision that has long been in the Railway Act and I thought, if I understood the hon. member for Oxford correctly, that it had actually been the subject of a decision by the privy council which settled the question quite positively in affirming that this was legislation competent to the federal parliament. Consequently I do not think we should attach too much importance to the views of those who now seem to have some doubts on the constitutional aspects, inasmuch as the privy council has already rendered its judgment.

I think there is perhaps one other important subject upon which I should touch, namely the question of the costs of maintenance. I should merely like to remind the committee that the recommendation of the board was that, as to future projects, a contribution towards maintenance costs up to $200 in any one case might be made. As I said earlier, during the discussion of the resolution or on the second reading of this bill, this was the only recommendation of the board which we did not feel we should accept. But as I indicated at the time, and as I think I repeated before the standing committee, if experience shows that we should reconsider this aspect of the question, we shall be glad to do it in the light of the new provisions concerning the grade crossing fund.

I should like to emphasize the fact that it is only a matter of $200. I doubt very much, particularly in the examples which have been cited today, if a contribution of $200, of which the municipal share would probably be proportionately one-half, would determine whether a municipality would or would not accept responsibility to participate in providing protection or grade separation. At all events, Mr. Chairman, I will repeat what I said before. If experience shows that this provision would fill an urgent need, we shall be glad to reconsider our decision not to recommend it to parliament at the present time.

I should also like to emphasize the fact that the principal beneficiaries from this proposal would be the railways. The individual municipality itself would not benefit by any substantial amount. The benefit would accrue principally to the railways. I think hon. members will appreciate that the other provisions of the bill afford much more substantial relief to the railways. I do not think they should complain too strongly that with respect to future projects the costs of maintenance are not going to be absorbed by the grade crossing fund, even with the limitation of $200.

I think the only other point that I should deal with is the question of priorities which was raised by the hon. member for Okanagan Boundary. As I understand it, there is no system of priorities. Each of the projects that are submitted to the board is examined on its own merits. Each is approved. There is not a long waiting list which has to be reviewed at the end of the year. The board realizes that the only way in which we can make genuine progress towards the solution of the problem is to deal with meritorious projects as they come before the board and

not to wait in order to establish a long list of priorities either as between one province and another or as between one project and another.

Mr. Chairman, there is only one final word I should like to say and it is this. I do not think anybody believes that, by voting $5 million to the grade crossing fund, we are thereby going to solve the problem of accidents at grade crossings. I think that the trouble can be ended only when the education of the public is complete and when people—drivers in particular—realize the dangers of crossing a railway without taking adequate precautions. The fact that so many accidents take place at protected crossings certainly shows that there is a need for much more care on the part of the drivers than is exercised at the present time. I suppose we shall only solve the problem ultimately when drivers generally have assumed a greater degree of care in driving their cars and when, at the busiest crossings, we are able to construct grade separations instead of protective devices.

After the full discussion we have had on this bill I hope it will now be possible to adopt it so as to enable the board of transport commissioners to make grants from the fund and to start with this larger sum of money towards making greater progress in solving the grade crossing problem.

Mr. Nesbitt: Mr. Chairman, I should like to ask the minister a question. Would the minister care to comment on whether or not it might be recommended to the board of transport commissioners that, where you have one of these grade crossings benefiting more than one municipality directly, or as in the case of the example I cited this afternoon—I refer to the town of Ingersoll—where the provincial highways are benefited more than the municipality, it might be possible that the expenses the municipality must pay could be allocated among more than one municipality or, in some cases, between a municipality and the provincial government.

Mr. Marler: I think the answer to that question will be found in the very first clause of the bill which clearly gives the board the power to order what portion of the cost is to be borne respectively by the company, any municipal or other corporation or person in respect of any order made by the board, and so on. I cannot see anything which precludes the board from ordering that the costs of a given project should be borne by one or more municipal corporations. When the benefit is going beyond the confines of a single municipality, I understand that it is their practice to discuss with the province concerned the possibility of provincial contribution. I think the hon. member will agree that each case must rest on its own merits and that, as I think I said in the standing committee, the wider the discretion which the board has in determining the apportionment of the cost, the more likely it is that they will be able to render substantial justice to all concerned.

Clause agreed to.

Clauses 2 and 3 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CANADA ELECTIONS ACT

AMENDMENTS TO INCREASE SALARY OF CHIEF ELECTORAL OFFICER, ETC.

Hon. Roch Pinard (Secretary of State) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Canada Elections Act including provision for an increase in the salary of the chief electoral officer.

Motion agreed to and the house went into committee, Mr. Applewhaite in the chair.

Mr. Pinard: Mr. Chairman, the purpose of the resolution, which is very simple, is twofold. In the first place the resolution calls for the putting into effect of the recommendations made by the standing committee on privileges and elections which, through its chairman, tabled a report on the 29th of April. The draft bill attached to the report contains the changes in the act. I might say that none of these changes is of a very serious nature. The committee held quite a number of sittings. Recommendations were made to the committee by different departments of the government, by members of the house and by other organizations.

The second part of the resolution concerns the increase in the salary of the chief electoral officer. The bill to follow the resolution will contain provision for such increase so as to enable the chief electoral officer to receive remuneration comparable to the status of a deputy minister which he holds under the statute.

Mr. Pallett: In rising to speak on the resolution I do so with very limited experience of the elections act. However, I had a very enjoyable experience as a member of the standing committee on privileges and elections. I was very much impressed with the conduct and actions of the chief electoral officer. I felt the answers he gave to the

questions asked and the presentation he made before the committee certainly indicated that he was non-partisan in his conduct so far as any matters relating to elections are concerned. With reference to the proposed increase in pay, if the man is worthy of his hire, and I certainly think he is, he is entitled to the increase suggested by the Secretary of State.

I believe the committee might have gone a little further in making recommendations, particularly so since certain sections of our country are becoming more built up and are faced with the problems of increasing population. I have some specific suggestions. The first one is that the hour of closing of the polls might be advanced to seven o'clock instead of six o'clock. I make this suggestion because in the more built-up areas where people live in one area and work in another some miles away they leave before the polls open in the morning and return after they close at night. I fully recognize the act provides that every employee must be given time off to vote by his employer, but I suggest the fact of the matter is that most employees do not take the time. Perhaps they are not aware of the provision in the act. The extension of the voting period by one hour would overcome the difficulty. The problem has already been dealt with by the province of Ontario where the hour of closing of the polls has been extended to seven o'clock to accommodate people in the suburban ridings. One might say that it is a problem of suburbia.

My second suggestion is that the advance poll might embrace a wider group of citizens, and again the province from which I come has already taken action in this regard. Contrary to the suggestions put forward by one of the government members on the committee, I suggest that voting is primarily a right and not a privilege. It may also be a privilege to vote but it goes further than that and is a right. I think the right should be extended to all persons, and if it is necessary for a person to be away from their own district on voting day for some reason I think they should have the right to vote at an advance poll. People could take advantage of the opportunity to vote. There would be no great rush of persons wanting to vote ahead of time but people who are conscientious about their duties as citizens could exercise their franchise. I make this suggestion to the Secretary of State so that an amendment may be incorporated in the act before the next election.

The act provides that there shall be a statutory day of voting, Monday. I think this matter can bear investigation. We wish everyone to have the opportunity to vote. We want them to be able to consider carefully the candidates for whom they are voting, and we must also recognize that women are taking a more important place in the affairs and life of the country. All of us no doubt have worked on election days and we know what happens when you call for a person to take them to vote and they are in the middle of doing a washing. They rush out, perhaps vote rather hurriedly, and rush back again. By fixing a statutory day we are perhaps losing the vote of some women who are busily occupied on Monday which, after all, is washday. I suggest that the removal of the provision fixing Monday as election day might be considered in order that the act might be more flexible.

Again, the custom is developing throughout the country of people taking long week ends. Maybe they return on Monday morning and they want to go to work immediately. They do not have the opportunity to properly assess the situation on a Monday. If elections were held on some other day than Monday I suggest to the Secretary of State that probably a greater percentage of voters would go to the polls.

I also suggest there should be some provision in the act to prohibit the holding of elections in the months of July and August. Many people are not at home at election time in the holiday months, and it is too much to ask people who work hard 50 weeks of the year to deny themselves the right to their holidays. While the franchise is dear to us, nevertheless it is asking a little too much of people to expect them to return from their holidays to vote. I suggest the Secretary of State might consider that matter with a view to changing the legislation.

I do not know how my next suggestion could be incorporated in our present voting system. The matter would perhaps require considerable study. At the present time representation in the house is not in any way in accordance with the popular vote. In the 1953 election the government members received 2,819,813 votes out of a total of 5,701,963, or less than half the popular vote. The fact that they received less than half the popular vote is not represented in any way by the number of seats they hold in the house. They have a quite extraordinary majority of seats which they won with less than half the popular vote. I am not suggesting the answer. I merely point out the situation to the house and the country as a whole. The fact is that the people who are governing the country and who have such a vast majority of seats actually received less than half of the votes cast by the people

who voted at the last election. I would suggest that to the minister for any consideration he wishes to give it. With these remarks, and with the added support and commendation of the electoral officer I mentioned at the outset, I conclude.

Mr. Knowles: I should like first of all, Mr. Chairman, to join with the Secretary of State and the hon. member for Peel in the tribute all of us are happy to pay to the fairness and efficiency with which the chief electoral officer, Mr. Nelson Castonguay, carries out his duties. I am sure we all agree with the Secretary of State that, having voiced these tributes so often, it is good to have the opportunity to express these tributes in the more concrete form which has been suggested by the Secretary of State.

As had been pointed out the purpose of this resolution is to forecast the introduction of a bill, which I take it will be substantially along the lines of the draft bill recommended by the committee on privileges and elections. That draft bill can be found in *Votes and Proceedings* for Friday, April 29, 1955. Although the draft bill is rather voluminous, containing some 90 pages or more, we all recognize that for the most part it involves technical changes. Indeed, to a large extent they are changes that have been suggested by the chief electoral officer as a result of his experience with the general election of 1953. In so far as there are any changes of substance involved in this proposed legislation, we have the knowledge that they were worked out and agreed to by the members of the standing committee on privileges and elections.

Other members have made or no doubt will make suggestions as to additional improvements which should be made in the Canada Elections Act at this time. I feel, Mr. Chairman, that the time has come when our federal law respecting elections, the Canada Elections Act, should be tightened up with regard to election expenses and particularly with regard to the reporting of election expenses. I am aware of the fact that this subject is touched upon slightly in the draft bill, but only slightly. There is a suggestion in the draft bill that the amount of money a candidate himself may expend in the course of an election, which at the moment is fixed at $1,000, be fixed at a limit of $2,000. This change is to be made in section 62 of the Canada Elections Act.

I regret that, as yet, we have not heard that there is to be any change in section 63 or any of the other sections relating to election expenses and the reporting of those expenses after the election is over. As hon. members are aware, in 1949 there was before this house a bill which was introduced by the hon. member for Quebec South. This bill dealt with the whole question and suggested, in concrete and specific form, changes that would tighten up the election act with regard to election expenses. As most members are aware, I made a suggestion to him the other day that he might consider reintroducing that bill at this session. I hope he will give serious consideration to that suggestion. The bill was based on the lengthy experience he has had, and it arose out of legislation that was considered at a time when he was a member of the cabinet. It seemed to me that the hon. member for Quebec South had some very useful suggestions in that bill introduced in the first session of 1949.

I would remind the Secretary of State and the members of the house generally, that that bill seemed to meet with general approval in 1949. In fact, it not only passed first reading in the usual perfunctory manner but it passed second reading with just as much speed. There was no discussion at all. After that, it went through the committee of the whole in about a minute or two if one can judge from looking at *Hansard*. However, for reasons that were not given, it was not proceeded with any further at the 1949 session.

What is the situation at the moment with respect to the reporting of election expenses? The Canada Elections Act says that all candidates in a federal election must, on their own behalf and through their official agents, report their election expenses. There are forms on which this is to be done, and it is supposed to be done within two months after the candidate in each constituency has been declared elected. Despite that fact I have in my hand sessional paper No. 3-C, which was tabled on Wednesday, January 13, 1954, in reply to certain questions which I placed on the order paper. It indicates that at that date there were 133 candidates in the general election of August 10, 1953, who had not yet filed their election returns as at January 13, 1954.

May I make it clear that these 133 did not include any elected members. It appears that all the members who were elected on August 10, 1953, took the precaution to obey the law and see to it that their election expenses were reported within the proper time. But there were 133 defeated candidates who did not bother to meet that provision; at least they had not done so by January 13, 1954. I find that nothing was done about this illegal practice. I use that word advisedly because, according to one of the sections in

the act, section 63, subsection 8, it is an illegal practice to fail to carry out the requirement that election expense returns be filed.

I notice also that according to a certain subsection of section 81, which can be found on pages 229 and 230 of the green book entitled "General Election Instructions for Returning Officers", there are certain penalties to be applied to those who commit corrupt practices or illegal practices. Let me make it clear that the failure to turn in one's election expense return is not listed as a corrupt practice but rather as an illegal practice. The maximum penalty for an illegal practice, as set out in section 81 is that such person, during the five years next after the date of his being so reported, convicted, ordered or found guilty, shall be incapable of being elected to or of sitting in the House of Commons or of voting at any election of a member of that house or of holding any office in the nomination of the crown or of the governor in council.

Now, it is one of my complaints that although there are these 133 persons who committed an illegal act in that they did not file their expense returns nothing has been done about it. Apparently it is difficult to impose this penalty on them, to deny them the right to run again within five years, or to vote at any election within five years, because certain technicalities have not been carried out. They would have to be reported in a document to Mr. Speaker, and it would have to be indicated that they had been heard on their own behalf; and it would have to be declared that they were persons who should be expressly disqualified, as therein provided.

But it just so happens that, although these 133 persons were not reported directly to Mr. Speaker, in the terms set out in the act, they were reported to the House of Commons in sessional paper 3-C which was tabled on Wednesday, January 13, 1954. And I find that among these 133 persons there are some whose names are known to certain people. For instance, there is a gentleman named Mr. O'Reilly who was the Liberal candidate in Hamilton West. There is Mr. Montgomery who was the Liberal candidate in Lanark. There is the name of Mr. Roland Angers who was the Liberal candidate in Chicoutimi, and that of Mr. Henri Courtemanche who was the Progressive Conservative candidate in Labelle. There is the name of Mr. Eric Wilfred Balcom, not the hon. member for Halifax who sits in this House of Commons, but who, I understand, is a relative of that hon. member, and who was the Liberal candidate in the constituency of Digby-Annapolis-Kings.

There is the name of Mr. Leonard Francis Hodgson—just to pick a name at random—who was the Social Credit candidate in the constituency of Nanaimo; and there is Mr. Patrick Sheehan O'Dwyer who was the Liberal candidate in Yorkton. There is the name of Mr. George Black, the Progressive candidate in the constituency of Yukon. And there are other names to a total of 133 persons reported to the House of Commons, but not technically reported to Mr. Speaker.

May I say another word about this information that was reported to the house.

The Chairman: I wonder if the hon. member would assist me. The resolution is in very general terms, but I understand the changes have been considered in the committee. I have been leafing through the bill and have not yet found any reference to the matter the hon. member is discussing. I wonder if he would help me in that respect.

Mr. Knowles: I would be glad to help you, Mr. Chairman, in two ways. First of all I would point out that the hon. member who preceded me was permitted to make suggestions as to changes which should be made at this time in the Canada Elections Act, when it is being amended. Like him, I am making suggestions as to changes which should be made. I think as a matter of fact I am a little closer to the proposed legislation than was the hon. member who preceded me, because there is in the draft bill—which I admit is not before us, but to which reference has been made—at least one change in the matter of election expenses.

I am suggesting that we should act further at this time in the matter of election expenses, and with respect to the reporting of such expenses, so far as our federal legislation is concerned. And if Your Honour is looking for the reference, I suggest that it occurs in the draft bill where reference is made to section 62 of the act.

The Chairman: I have noted the clause in the bill, but I find that it deals with the subject of personal expenses of a candidate. It does not deal with the matter of reporting those expenses at some later time.

Mr. Knowles: Mr. Chairman, I suggest the expenses of the candidate is one of the items required to be reported. But even if it were not there at all, I suggest that what I am doing is on all fours with what was done by the hon. member who preceded me, and what was done by hon. members who spoke on the last item of legislation before us, when suggestions were made as to other matters that should be dealt with when legislation is before us.

I am urging that at this time the whole matter of the way in which the act spells out how election expenses should be reported should be tightened up. As all members are aware, at the present time even the document to which I have been referring would not come normally to the table of the House of Commons. Under the Canada Elections Act as it now stands we are required merely to report our election expenses to the returning officer in the local constituency. He is required to retain that document in his possession for a period of six months. During that period of six months anyone can go and look at the document simply by paying to the returning officer a fee of 20 cents. At the end of six months he either destroys the document or returns it to the candidate or the official agent.

So far as the law is concerned, election expense returns are never sent to any central place. They are never scrutinized by the chief electoral officer or by any other officer or authority of any kind to determine whether or not the law has been complied with by those filing the returns. I remember one occasion some years ago when I was a defeated candidate going to the returning officer in the constituency and asking to see the return of the hon. gentleman who had defeated me. This was at a time when it cost 10 cents, not 20. I put down the 10 cents and the returning officer got out his receipt book, preparing to make out a receipt. But then he said, "Oh, I am not going to take 10 cents from you. I have been a returning officer for 20 years, and this is the first time anyone has ever asked to see one of these returns".

I recite that incident only to point out how little attention is paid to these election expenses returns, because they simply stay with the local returning officer for a period of six months, at the end of which time they are either returned to the candidate or they are destroyed.

The hon. member for Quebec South made a suggestion in his bill, which came before us in 1949, which was to the effect that these returns should be sent to the chief electoral officer, and that he should have certain authority to check through them and to report to the Speaker of the House of Commons in those instances where anything was irregular or where returns have not been made according to law.

The only reason we have had after the last two elections documents of the kind to which I have been referring is because I happened to put questions on the order paper. As a result of that the chief electoral officer sent out a letter to all the returning officers asking them to send in such information as they had, so that he could compile this return for the House of Commons.

It is my view that there ought to be some more adequate machinery for checking these returns, to make absolutely sure that the law is complied with right down the line. In recent weeks, and particularly in recent days, there have been many stories and comments in the press about election expenses. Some of these have been on the beam, some have been cynical and some, I think, have been quite unfair, particularly to those who try to obey the law. However, not only do we as members of parliament, and those who ran against us but who were not elected, have a stake in this, but I think the whole country, with its interest in democracy, has a stake in this whole question of election expenses being put on a much more satisfactory basis than they are at the present time.

As Your Honour pointed out a moment ago, a slight change is being made by the bill which it is expected will be founded upon this resolution. But I do not believe that change helps the situation at all. As I understand it at the present time there is no limit on the amount of money that can be spent in an election campaign. The only place where a limit is imposed is that the candidate himself must not, personally, spend directly more than $1,000. But if he wants to contribute $2,000 or $100,000 to the campaign, he can do so. But at the present time any amount that he wants to contribute in excess of $1,000 must be turned over to his official agent, and the official agent must pay the bills. The only change being made is that the amount that the candidate can spend personally is being raised from $1,000 to $2,000. I doubt if many members in this house are interested in that change; we do not spend that kind of money personally. But it raises the whole question, Mr. Chairman, as to whether there should not be some limit on the total amount that can be expended in an election campaign and indeed whether there should not be some restriction on the sources from which contributions could be received.

This latter question has been dealt with in legislation in years gone by, which was abolished. The former question, namely, placing a limit as to the amount that can be expended in any campaign, was the subject matter of Bill No. 7 introduced by the hon. member for Quebec South in 1949.

As I say, Mr. Chairman, all of us have a stake in this question. All candidates at election time, whether they are elected or defeated, have a stake in it. The country as a whole, with its concern for democracy, has

a stake in this matter being made more satisfactory than it is at the present time. I urge very strongly that consideration be given to this matter and I would like to see the government introduce legislation along these lines.

Even if the matter was not discussed at the meetings of the committee on privileges and elections, and even if this bill goes through, the government could have that committee meet again at this session or next session to see if something could not be done about this matter, or possibly the hon. member for Quebec South might reintroduce his bill, to give the house a chance to show its support for it, as we did in 1949. In any case, all members will recognize that the time is ripe —indeed I urge that the time has come—for action on this important question of election expenses.

Mr. Pouliot: Before the resolution is carried I have a few remarks to make. The first remark I intend to make is that this bill has been studied by a parliamentary committee of this house, and the members of the committee took care to scrutinize all the proposed amendments contained in the report which was published on April 29 in the *Votes and Proceedings*.

I was very pleased to listen to the hon. member for Peel. I am sure that he will follow the traditions of his predecessor who who was an excellent member and very popular with his colleagues.

With regard to the hon. member for Winnipeg North Centre, I always listen to him with the deepest interest. He made some interesting suggestions today, but as one who has taken part in more elections than he has, and is perhaps not so insistent on the formalities, I shall tell him what is my experience with regard to reports of election expenses. In the first place, he suggested that the amount to be spent in an election should be curtailed or limited. It cannot be done because sometimes election expenses run pretty high, and there is nothing to hide. At the present time the system which has been in force for a long time is excellent. What is being done? There is an election agent who makes his report. There is the member who makes a report of his expenses, and the whole thing is left with the returning officer for six months. Anyone has the opportunity to go to the returning officer, who is well-known in the community, and examine the reports. If they do not, it is because they are satisfied with the way in which the election has been carried on. It is obvious. I will tell that to my hon. friend. Instead of blaming the constituents when nobody goes to the returning officer to check the report, he should realize that it is because everybody in the constituency is satisfied with the way in which the election has been carried on by the candidate. This is my experience; not only my experience but also that of my opponents. I do not know where they got their funds. One made a report, the other one did not. Where did he get his funds? I do not know. I won the election. I did not bother about the poor fellow; I left him to cry about his defeat.

We must be generous in such circumstances. I made my report. The report was published in the press, according to law, and it was left with the returning officer for six months. One of my opponents made a report which I looked at, but which I did not check. The other one did not make a report. If I had complained about it to the returning officer everybody would have thought me mean. They would have said, he has won his election and he is making a martyr of the poor fellow who was defeated. I submit these considerations to my hon. friend. He will understand them very well.

I tell him that even if quite a lot of money was spent on an election the election may have been conducted honestly. For instance, take loud speakers. How much do they cost? They cost on an average $750 for an election. It is an honest expenditure, but it runs pretty high. The cost of radio is pretty high. It is $15 for 15 minutes at the smallest stations. In larger stations it may run up to $60 for a quarter of an hour. It is a lot of money. Then there is the literature. There is no frank during an election. You have to pay for the stamps; you have to pay for the errands; you have to pay for all of that. It is all legitimate expenditures.

I am greatly surprised that the committee has not authorized the candidates to rent cars on election day. There would be nothing immoral or unethical in sending a car for somebody or paying for it. At the present time we have to beg our friends for cars or ask them to pay for a taxi driver. It makes no sense. If the friends of a candidate contribute toward his election there is no reason why he should not hire cars on election day to make it easier for the electors. There is nothing wrong in it. In my experience it is just to be nice, because very often when a taxi is sent to bring someone to vote and the elector asks who is sending the taxi and you say "so and so", sometimes he laughs and votes for the other side. Who can control the vote of one who goes to the polling booth in a limousine or in a Ford car? Sometimes electors want to ride in a nice car. I think that is only proper because that is the day when they are masters of the situation. It

is only natural that they should want to be well taken care of. Why should we be hypocrites and say that no member pays anything to provide driving accommodation so that the electors may vote? There is nothing wrong in that. It is not purchasing votes; it is not infringing upon their liberties; it is simply giving them a chance to observe the law with the least effort. I do not see anything wrong about it and I am sorry the law does not take this into consideration. There is something much more serious than what the hon. gentleman has said, and I say that in the friendliest way.

As a rule elections are carried on honestly. I believe that all members of parliament representing all groups have been elected honestly according to the constitution and the practices of the country which have existed for so long. I say that, not only about hon. members on this side of the house but about all my colleagues.

What I think is more important is the way in which the right to vote is granted and to whom. The committee did an excellent job when it refused to accept the proposal by an employee of the Department of External Affairs that all the employees of that department located outside of Canada should have the right to vote. The right to vote is important and in this I am in accord with the hon. member for Winnipeg North Centre that it should be given only to those who will use that right within the boundaries of the country.

I stated before the committee that the right to vote which was given to our soldiers was a privilege. That right which was given to members of the forces stationed outside of Canada was something out of the ordinary, it was a tremendous privilege. Why should we grant it to civil servants or to the wives of soldiers stationed outside of Canada? It is enough to give it to the soldiers without giving it to their wives, who most of the time know nothing about the business of the country.

They could be asked, who is the Prime Minister of Canada, who is the Leader of the Opposition, who is the Minister of National Defence and they would be unable to answer. Yet they are to be qualified to vote. Many of them have never been in Canada and yet they would be qualified to express their opinions about Tom who is a Liberal candidate, Jim who is a Conservative candidate, Paul who is a C.C.F. candidate, and another gentleman who is a Social Crediter.

What do they know about it? Simply because this tremendous privilege is given to members of our armed forces does not mean that the same privilege should be given to their wives who are not familiar with Canadian politics. There should be an end to that. The committee did a splendid thing when it refused the suggestion of the representative of the Department of External Affairs to grant the same right to members of that department who were stationed outside of Canada.

When I saw the judge advocate general and this gentleman from the Department of External Affairs appear before the committee I felt that what they wanted was a Cook's tour around the world to visit all places where soldiers were stationed or where members of that department were to be found. I was surprised to hear from the chief electoral officer that only one-third of the soldiers actually vote. Why give the vote to their wives? The committee said "no" when the gentleman from the Department of External Affairs made his fine suggestion.

What scandalized me was that when I told him he was not well enough prepared to appear before the committee one of the members of the committee was shocked. He could not understand that I should say that a civil servant was not well enough prepared to appear before the committee and give the information asked for. He had worked on this proposal for two years but he was unsuccessful and he will not have his Cook's tour. But the judge advocate general will have his Cook's tour as the opportunity to vote is to be given to the wives of soldiers. In the one case it was refused, in the other case it was granted. I do not see why the judge advocate general should be granted this Cook's tour.

The best way to have an honest election is to teach people how to vote. The proportion of those who vote will then be much larger. There are some reasons why people do not vote. They may be sick, they may have to be away. It is better to have a smaller number of voters who vote right in Canada than to have a larger number who vote by power of attorney or by correspondence. How can it be checked?

These are considerations that I leave with the committee of the whole. I congratulate the minister upon the way he left the committee free to decide by itself what it thought was the best thing to do. I join with the hon. member for Winnipeg North Centre in what he said about Mr. Castonguay. He was most informative when before the committee

and was always ready to answer. He deserves this increase in salary which is being provided.

I can remember when his father received only $4,000 for doing all this work at a time when a son of a former prime minister received $10,000 for doing nothing. I was the one who protested and I succeeded in having the salary of the father increased. I am glad that the son is following in the traditions of his father.

I can tell my hon. friend that from my long experience I can say that I have not seen anything wrong in the way elections have been carried out, and hon. members who sit here as well as those who sat in the ten previous parliaments have nothing to be ashamed of for having been elected to the parliament of Canada.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall take the estimates of the Department of Labour, the Department of Veterans Affairs and the Department of Agriculture. That will be the order of business for Friday should they not be disposed of tomorrow.

It being two minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, May 19, 1955

The house met at 2.30 p.m.

STANDING ORDERS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. J. H. Harrison (Meadow Lake) moved that the second report of the standing committee on standing orders, presented to the house on Tuesday, May 17, be concurred in.

Motion agreed to.

QUESTIONS

ARMED FORCES—DESERTERS, KOREAN WAR

Mr. Harkness:

1. From the start of the Korean war to March 31, 1955, what has been the total number of releases on account of desertion, or absence without leave: (a) from the navy; (b) from the army; (c) from the air force?
2. What was the largest number of men posted as deserters or A.W.L. at any one time and what was the date?

Mr. Campney: Stand.

Mr. Harkness: I rise on a question of privilege, Mr. Speaker, in connection with this question. I wonder if I might ask that this question be answered in the immediate future? It is a question which I am quite sure the Department of National Defence could answer within three days, but it has been standing on the order paper since April 5.

Mr. Campney: The answer is being prepared. I can assure the hon. member that it was not possible to compile the answer to this question within anything like three days. I hope, however, to have the answer shortly.

Mr. Speaker: Stand.

PER CAPITA DEBT

Mr. McCullough (Moose Mountain):

1. What is the per capita debt in Canada for the latest date available?
2. To whom is this debt owed and under what terms?

Mr. Benidickson:

1. The white paper tabled in the House of Commons on April 4, 1955, showed that the liabilities of Canada at March 31, 1955, were estimated to total $17,944,100,000; the net debt (total liabilities less active assets) was estimated at $11,264,200,000 and the unmatured funded debt was estimated at $14,487,800,000. On the basis of an estimated population of 15,482,000 the per capita figures are $1,159.02, $727.57 and $935.78 respectively.

2. As a large proportion of the funded debt is in bearer form it is not possible to state to whom the debt is owed. The monthly return of assets and liabilities of the chartered banks of Canada shows that on March 31, 1955, the chartered banks of Canada held government of Canada treasury bills in the amount of $434,980,000. The Bank of Canada held government of Canada securities in the amount of $2,139,000,000 on the same date.

The maturity dates and interest rates on the funded debt of Canada are listed in the white paper.

FOREIGN LOANS AND MUTUAL AID

Mr. Nicholson:

1. To what countries did Canada grant financial assistance during world war I as (a) outright gifts; (b) credits and loans?
2. To what countries did Canada grant financial assistance during world war II as (a) outright gifts; (b) credits and loans?
3. What was the amount advanced to each country under the above-mentioned classifications?
4. How much is still outstanding on loans and credits?
5. How much has been expended under the Colombo plan and United Nations agencies?
6. How much has been spent on mutual aid to NATO countries?

Mr. Benidickson:

1. (a) None. (b) United Kingdom.

2. (a) United Kingdom, Union of Soviet Socialist Republics, Australia, China, France, New Zealand, India, British West Indies and Greece; (b) United Kingdom and Union of Soviet Socialist Republics.

3. During world war I, credits were extended by the United Kingdom to Canada and by Canada to the United Kingdom. At March 31, 1919 Canada owed the United Kingdom $214,133,333.31 and the United Kingdom owed Canada $443,795,649.67. A settlement of these balances was arranged in the early 1920's.

Loan to the United Kingdom under the War Appropriation (United Kingdom Financing) Act, 1942—$700,000,000.

Loan to the Union of Soviet Socialist Republics under the War Appropriation Act, 1942—$10,000,000.

Payments made under the War Appropriation (United Nations Mutual Aid) Acts.

Questions

United Kingdom, $2,870,978,000 (x); Union of Soviet Socialist Republics, $159,113,000; Australia, $91,119,000; China, $26,597,000; France, $23,629,000; New Zealand, $15,278,000; India, $18,826,000; British West Indies, $5,518,000; Greece, $12,000.

(x) Includes $1,000,000,000 authorized by the War Appropriation (United Kingdom Financing) Act, 1952.

Gift of wheat to Greece under the war appropriation acts—$19,382,079.19.

4. $112,500,000.

5. Administrative contributions to United Nations organizations, $21,463,000; grants and loans for Colombo plan and United Nations agencies (including UNRRA), $298,397,000.

6. $1,176,000,000.

CIVIL DEFENCE, ONTARIO—HOSE COUPLINGS

Mr. Brown (Brantford):

What progress has been made under the civil defence agreement between the federal government and the province of Ontario to standardize hose couplings in that province?

Mr. Robertson: The federal government agreed to pay one-third of the cost of the hose coupling standardization program in Ontario up to a maximum of $367,000, and has recently completed payment of this amount to the province.

The program in Ontario is approximately 90 per cent complete and the balance—in sparsely populated sections of northern Ontario—will be completed this year.

VOCATIONAL TRAINING GRANTS

Mr. Diefenbaker:

1. What are the total amounts granted to each of the provinces by the federal government for vocational training?
2. When did the program commence?
3. Is it now in effect, and if not, why was it discontinued?

Mr. Gregg:

1. The vocational schools assistance agreements entered into by the government of Canada with the provinces under the authority of the Vocational Training Co-ordination Act provided federal government financial assistance to the provinces for the development and carrying on of vocational training at a secondary school level. These agreements, which were entered into in 1945, ran for a ten-year period to March 31, 1955, and provided federal financial assistance to the provinces of approximately $30,700,000 over the ten-year period. Of this amount, $10,304,950 was allotted specifically for building and equipment projects for the extension of training facilities, and the balance by way of annual grants of $2,070,000 was provided to assist the provinces in meeting operational costs of vocational schools, as well as for buildings and equipment.

The amount allotted over this period to each province pursuant to these agreements and payments made to the close of the fiscal year 1954-55 thereunder are as follows:

Province	Allotment	Payments to March 31/55
Newfoundland	$ 689,450	$ 594,020
Prince Edward Island	338,400	329,092
Nova Scotia	1,567,100	1,208,738
New Brunswick	1,351,300	1,340,200
Quebec	9,319,500	9,319,500
Ontario	8,947,000	8,723,185
Manitoba	1,952,600	1,169,911
Saskatchewan	2,488,000	2,176,669
Alberta	2,149,600	2,094,669
British Columbia	1,884,100	1,847,329
Northwest Territories	21,100	4,866
Total	$30,708,150	$28,808,179

The federal commitments to the provinces with respect to the amount of $10,304,950 specifically allotted for building and equipment projects has been met and provision was made by the governor in council under date of March 12, 1955, for the extension of the term of each of the aforesaid agreements to March 31, 1956. Provision has been made in the estimates of the Department of Labour for the fiscal year 1955-56 for payments to the provinces pursuant to the provisions of these agreements to the amount of $2,070,000 in the fiscal year.

2. April 1, 1945.

3. Answered by No. 1 above.

CANADIAN REPRESENTATION, UNITED NATIONS

Mr. Gagnon:

1. Who represented Canada at the general assembly of the United Nations in 1953 and 1954?
2. What was the amount of expenses incurred by this country for each of the Canadian representatives?
3. Is it possible to obtain a copy of the proceedings in which they took part?
4. If so, where may it be obtained?

Mr. Pearson:

1953

1 and 2. Representatives: Hon. L. B. Pearson, $1,051.00; Hon. A. Côté, $1,720.00; Senator S. S. McKeen, $1,800.00; Mr. D. M. Johnson—Permdel—New York; Dr. G. F. Davidson, $1,476.00.

Alternate Representatives: Dr. G. S. Patterson, $1,003.00; Mr. S. D. Hemsley, $1,585.00; Mrs. J. Caldwell, $1,754.00; Mr. Alan Macnaughton, $1,224.00; Mr. G. B. Summers, $1,610.00.

1954

Representatives: Hon. L. B. Pearson, $447.00; Hon. Paul Martin, $1,317.00; Senator C. B. Howard, $1,868.00; Mr. D. M. Johnson—Permdel—New York; Mr. G. D. Weaver, $1,694.00.

Alternate Representatives: Mr. L. Cardin, $1,632.00; Mrs. K. G. Montgomery, $1,931.00; Mr. Charles Stein, $1,534.00; Mr. K. P. Kirkwood, $798.00; Mr. S. D. Hemsley, $1,462.00.

3. Yes.

4. Verbatim reports of plenary sessions and summary records of committee meetings are available in the parliamentary library.

NATIONAL PARKS—SUPERINTENDENTS TRANSFERRED

Mr. Bell:

1. Have any park superintendents been transferred in the national parks branch of the Department of Northern Affairs and National Resources since January, 1953?

2. If so, who, where, and for what reasons?

Mr. Lesage:

1. Yes.

2. (i) Mr. B. I. M. Strong was transferred from the position of superintendent, Prince Albert national park, to the position of superintendent, Banff national park, effective May 10, 1953. Mr. Strong succeeded Mr. J. A. Hutchison who was promoted to the position of director, national parks branch.

(ii) Mr. J. D. B. MacFarlane was transferred from the position of acting superintendent of Cape Breton Highlands national park, to Ottawa in September 1953, and then to the position of superintendent, Prince Albert national park, effective December 1, 1953. This move followed Mr. Strong's transfer to Banff national park.

(iii) Mr. C. E. Doak was transferred from the position of officer in charge, Point Pelee national park, to the position of superintendent, Cape Breton Highlands national park, effective September 15, 1953. This transfer followed the move of Mr. MacFarlane.

(iv) Mr. K. B. Mitchell was transferred from the position of assistant superintendent, Banff national park, to the position of superintendent, Riding Mountain national park, effective March 6, 1955. Mr. Mitchell's transfer was a result of Mr. O. E. Heaslip's retirement.

(v) Mr. J. A. Pettis is to be transferred from the position of park engineer, Yoho national park, to position of superintendent, Kootenay national park, on the retirement of Mr. F. A. Bryant, superintendent, Kootenay national park. Mr. Bryant's retirement is to be effective July 7, 1955.

It is the department's established policy to move park superintendents from one park to another at intervals of approximately five years. This ensures that the superintendents will gain wide experience and will have the opportunity to develop their abilities to the fullest extent. It also ensures that a new viewpoint will be brought to the problems of administering each park at reasonable intervals, and at the same time helps to achieve uniformity in the handling of administrative details which are common to all parks.

BROADCASTING

RADIO—POSSIBLE APPOINTMENT OF COMMISSION TO REVIEW REGULATION AND CONTROL

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Prime Minister if the government is contemplating the appointment of a royal commission to review the basis of regulation and control of radio broadcasting in Canada?

Right Hon. L. S. St. Laurent (Prime Minister): I can say to the hon. gentleman that the government is contemplating the appointment of a commission, but that does not mean that any decision about an immediate appointment has been reached.

TELEVISION—MODIFICATION OF POLICY OF SINGLE STATION COVERAGE

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Prime Minister a second question? Is the government contemplating either the abandonment or modification of the so-called policy of single station coverage with respect to television, that is to say the policy of local monopoly of television in Canada?

Right Hon. L. S. St. Laurent (Prime Minister): The question is not one to which a categorical yes or no can be given. The policy has never been that there would be, for all time, only one station in each locality. The whole matter is under constant consideration, and the question as to when it will be deemed proper to declare that applications for duplication of service will be entertained is part of that consideration. It may very well be that no decision would be arrived at before the appointment of the commission to which the hon. member referred in his previous question.

Inquiries of the Ministry

CUSTOMS TARIFF

CLASSIFICATION OF CANNED MIXED FRUIT AS PEACHES—REFERENCE TO GATT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. Is the government not prepared to let the court decision stand that mixed fruit is not peaches; or are press reports correct that the government's representative at Geneva has been asked to sound out other GATT countries as to whether the tariff on mixed fruit might be raised? How does that square with the government's low tariff policy?

Right Hon. C. D. Howe (Minister of Trade and Commerce): One of the rules of GATT is that tariff negotiations are conducted in strict secrecy. It would be impossible for me to say whether tariff discussions included mixed fruit, if I knew the answer, which I do not. If the matter of mixed fruit was referred to GATT it was referred by the Minister of Finance, who is responsible for tariff matters.

Mr. Knowles: Would the Minister of Finance comment on the press report that the government's representative at Geneva has begun sounding out other GATT countries on this issue?

Hon. W. E. Harris (Minister of Finance): No, I was not aware of the press report; and I agree with my colleague, who says that these matters are conducted in secrecy.

REMISSION OF HIGHER DUTIES COLLECTED ON MIXED FRUIT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Minister of National Revenue. Has anything been done by his department to pay back the higher duties collected on mixed fruit during the period of time between the date when the government classified mixed fruit as peaches and the date when the court made its final decision that mixed fruit is not peaches?

Hon. J. J. McCann (Minister of National Revenue): Yes; the matter is being processed right along and, to date, we have paid back more than half a million dollars.

HEALTH INSURANCE

INCREASED DOCTORS' FEES IN ONTARIO—GOVERNMENT POLICY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a question of the Minister of National Health and Welfare. In view of the announced boost of 50 per cent in doctors' fees in Ontario, will the minister boost by 100 per cent his efforts to persuade the cabinet that the time has come to bring in nation-wide health insurance?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, the hon. member did not give me notice of his intention to ask his question. However he knows perfectly well that not only the minister but the government as a whole always boost good causes.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF LABOUR

173. Departmental administration, $685,605.

The Chairman: I would point out to the committee that the item is found at page 31 of the main estimates, and the details appear at page 246. Shall the resolution carry?

Hon. Milton F. Gregg (Minister of Labour): Mr. Chairman, I am never quite sure whether hon. members would prefer to have me make way at once for members to discuss my estimates, on the one hand, or whether they would like a short statement concerning special items of interest, on the other. I am prepared today to follow either course. It is only in the hope that it might expedite the passing of my estimates that, unless someone objects, I shall choose the latter.

The main estimates of the department and the unemployment insurance commission for 1955-56 total $69,542,295, as compared with $72,874,271, including supplementaries, for 1954-55, or a reduction of $3,331,976. This is accounted for partly by a reduction in the estimate of the government's contribution to the unemployment insurance fund, and partly by the fact that the Department of Public Works has been given the responsibility for building, maintenance and rental of premises for the unemployment insurance commission, costs which before were largely borne by the commission.

There is also a reduction in the item for vocational training capital expenditures, because our commitment under the agreement with the provinces has been fulfilled. There is a reduction in the services covering the movement of immigrants for work on farms and to fill other unsatisfied labour demands. These are the main items that cause the reduction in the vote; there are, of course, others. There are some slight increases in certain items which I shall refer to when I come to them.

On the question of staff, there is a slight change from last year; a reduction of 12 positions in the Department of Labour, partly owing to curtailment in certain fields of operation. But it will be noted from page 262 of the blue book on estimates that there is an increase of 304 in the establishment for the unemployment insurance commission. The increase is caused by the fixing of larger continuing establishments for many offices, owing to the increase in work load resulting from an increase in benefit claims.

At this point I should like to express my recognition and appreciation of the excellent work which the staff of both the Department of Labour and the unemployment insurance commission have continued to render. I think they are deserving of high praise, and are a credit to our public service.

Now, to comment briefly on some of the activities for which these estimates provide, let me deal first with the annuities branch, item 175. There are at present 350,000 persons covered by Canadian government annuities. Approximately 68,000 of these people are actually in receipt of their annuities, to a total of $32 million a year. Annual premium income for the year ended March 31, 1955, was about $66 million, which is an increase of around $2 million over the previous year. The annuities fund, as at March 31, 1955, amounted to $864,543,038. During the past year there has been an increase in sales, particularly of individual contracts, which show an increase of 18 per cent over the previous year.

I need not emphasize the national importance of the work performed by the industrial relations branch, which covers conciliation services, administration of legislation governing wages and working conditions on government contracts, the development of labour-management co-operation, and many other lesser activities. These are in vote 176.

The moneys voted last year for these purposes were well spent. There were 80 industrial disputes dealt with during the past fiscal year. In 48 of these 80 cases, settlements of the disputes were secured by conciliation officers. In 25 cases conciliation boards were established during the year, and reports were also received from five conciliation boards established during the previous fiscal year. Settlements were made on the basis of the boards' recommendations in nine of these disputes. There were six disputes in the hands of conciliation officers, and 18 disputes referred to conciliation boards which were still being dealt with at the end of the fiscal year.

Aside from the cases I have mentioned as still pending, out of 80 industrial disputes all except three were settled during the year. In two of the three legal strikes occurred, and the third was settled by arbitration.

This industrial relations branch is also responsible for the administration of the Industrial Relations and Disputes Investigation Act. This involves the functions of the Canada labour relations board and the administration of the Canada Fair Employment Practices Act. These services are covered in the estimates under items 177 and 178.

The Canada labour relations board dealt with 65 applications for the certification of bargaining agents during the fiscal year, of which 53 applications originated during that period. Of the 65 applications mentioned, 34 were granted, 5 were rejected, 12 were withdrawn, and 14 were still being investigated on March 31. In disposing of these cases the board ordered 14 representation votes, which were conducted by officers of the department.

Last year I mentioned particularly the Canada Fair Employment Practices Act, which was then a new piece of legislation, and stated that a broader program of educational activity was planned. As part of this program two series of radio talks, one in English and one in French, were arranged during the fiscal year just ended. Other publicity measures included a distribution of pamphlets and posters describing the provisions of the act. Between July 1, 1953, when the act came into effect, and March 31, 1955, a total of 11 complaints were made under the act. Of the 8 made during the past fiscal year, 6 were settled either by direct investigation and conciliation or by correspondence, and 2 were under investigation as of March 31, 1955.

It is proposed to continue the farm labour program which has been continuously in operation since world war II, and the funds required are shown in vote 181. Under this program agreements are entered into with the provinces to provide for the sharing of the costs of organized movements of farm workers to meet seasonal demands in different areas. The provinces have asked that the program be continued, and after consultation with them it has been decided that a program sufficient to take care of this year's needs can be carried on with a reduction of $75,000 from the amount provided last year.

In addition to the farm labour program, which is designed to make the most effective use of the farm labour force within Canada, it has been necessary from time to time to bring immigrant farm workers to Canada in organized groups. Similar organized group movements have been necessary to meet

labour demands in several other basic industries. Funds for services connected therewith are provided under item 190. Last year an amount of $325,000 was included for transportation costs. This year any transportation required for these movements will be provided from funds voted to the Department of Citizenship and Immigration. For this reason, and because the movements this year are expected to be somewhat smaller, the amount provided in vote 190 represents a reduction of $411,385 from the amount provided in 1954-55.

Last year when the estimates were before the committee the director of the new women's bureau had just been appointed. I am now happy to say that the new branch has now been staffed and in operation for the past nine months. The director is Miss Marion V. Royce, a lady who is proving very well qualified by training and experience to give proper attention to the problems of women in employment. Ground work has already been laid for a survey to be undertaken of married women in employment. In view of the economic and social implications of the growing participation of married women in the labour force, the bureau regards this as an important area of investigation. It is also planned to undertake two additional projects of research during the coming year; a study of the occupational distribution of women in Canada, and in the field of women's earnings. The administrative costs of the branch are provided for under item 182.

I mentioned last year the initial steps that had been taken to establish a comprehensive plan for the rehabilitation of Canada's disabled. In co-operation with the Department of National Health and Welfare and the Department of Veterans Affairs, and in close consultation with the national advisory committee on rehabilitation, the provinces and voluntary agencies, these plans are going forward.

Eight of the provinces are now making use of the agreement whereby a maximum contribution of $15,000 a year is made through my department, on a matching basis, toward the salaries and expenses of a provincial co-ordinator and his staff, and toward the cost of supplying certain rehabilitation services not otherwise provided for. This is shown under item 183. The province of Ontario, in addition, has appointed a director of rehabilitation services, and discussions are going forward with that province regarding the possible signing of this agreement.

During the past year eight provinces have appointed provincial co-ordinators of rehabilitation. In these provinces improved facilities for rehabilitating the disabled through the Vocational Training Co-ordination Act are now being utilized, and my colleague the Minister of National Health and Welfare will be reporting to you that in nine of the provinces the new medical rehabilitation grant is being used to expand facilities and train the staff necessary for the medical side of the program.

While the program is new and much has yet to be done, a good start has been made. I am impressed by the calibre of the men selected by the provinces to head up this program, and you will be glad, as I am, to know that as experience is gained, more and more of our disabled will be equipped to live more useful and satisfying lives.

The vocational training program under the Vocational Training Co-ordination Act, which is provided for under items 184, 185 and 186, accounts for approximately $4,500,000 of our total estimates for the year, so I think it is deserving of special mention although there is little change in the program from last year. Hon. members are aware that this program is a joint undertaking with the provinces, and with few exceptions the projects are based on a dollar for dollar contribution.

I mentioned earlier in my remarks that our commitments under agreement with the provinces for capital expenditures on vocational schools had been fulfilled. I referred to the $10,300,000 federal allotment which had been made since 1945 to be spent over a period of years on buildings and equipment to assist the provinces to enlarge and improve their vocational school facilities. At the close of the fiscal year 1954-55 federal payments under this program amounted to $9,722,374. The small amount which is requested under vote 186 is intended to provide for a few delayed claims from the provinces, and is in fact a revote.

Other vocational training programs which have been in effect for some years and which will be continued in 1955-56 include the training of apprentices, for which there is an annual expenditure of approximately $1 million; youth training, training of unemployed workers, foremanship and supervisory training, training of workers for defence industries, training of disabled persons, training of persons for the armed forces, etc. The detailed money provision for these various projects appears on page 255 of the blue book.

Mr. Chairman, I am not attempting here to report on all the services which come under the Department of Labour. If I were doing so, of course, I would make special mention of the work of our economics and

research branch, government employees compensation branch—on which there is legislation before the house—and also the publication of the *Labour Gazette,* which attempts to present factual information on labour matters of special interest from month to month.

Mr. Diefenbaker: Before the minister goes on, I do not want to break into his argument but he gave a reply today to a question I asked regarding vocational training. He stated in that reply:

> The vocational schools assistance agreements entered into by the government of Canada with the provinces under the authority of the Vocational Training Co-ordination Act provided federal government financial assistance to the provinces for the development and carrying on of vocational training at a secondary school level.

Have all the provinces entered into agreements for the next year, so the same provision will be made as has been made in the past 10 years?

Mr. Gregg: Mr. Chairman, I shall be prepared to discuss this item in more detail when we come to it; but to answer my hon. friend's question, as he knows the Vocational Training Co-ordination Act has a large number of schedules. There is "M" for unemployed persons, there is "R" for disabled persons, and so on. All the provinces have now either entered into an agreement for this year on the same basis as last year or are in process of doing so.

I turn now, Mr. Chairman, to the estimates of the unemployment insurance commission. Since there is legislation concerning the act before the house I am not going into it as fully as I did with regard to the department. There are three votes, one for the administration of the act, one for the contribution of the government to the fund, and one for the transfer of unemployed workers to areas where jobs are available.

The vote for administration shows a decrease over last year of $1,014,342. During the fiscal year 1954-55 an agreement was reached with the Department of Public Works by which in their estimates they would provide the necessary funds for looking after the rental of office accommodation, necessary alterations in offices and the providing of office furniture for the unemployment insurance commission.

During the years the commission has been in existence the services of the trained employees of the Department of Public Works were largely utilized for these purposes, but the funds were always voted by the unemployment insurance commission. The decrease accomplished in this manner is offset to some extent by a careful review that was made during the year of the work load in all the offices, which resulted in a small increase in the basic fixed establishment for regular positions. As you will observe, they were increased from 7,406 to 7,710. With the increase in the basic fixed establishments for the various offices it has been determined that the need for casual help during periods of seasonal unemployment, such as the winter months, will not be as great and a lesser amount has been provided for this purpose for the fiscal year 1955-56.

During the 12-month period from April 1, 1954 to March 31, 1955, a total of $257,628,602 was paid out in benefits, and the number of beneficiaries was approximately 1,001,000. Total contributions were $190,632,050, with the government contributing $31,771,740 of this amount. On March 31, 1955, the balance in the unemployment insurance fund was $840,692,317, a decrease of $40,581,817 over the balance on March 31, 1954. This decrease in the fund was due to the increased claim load during the period.

The most important function of the commission, of course, is the operation of the employment service. The value of this work cannot be overemphasized. During the last fiscal year 842,993 placements were made by our national employment service through its various offices across Canada.

The item for the transfer of labour also shows a decrease of $100,000. This item is designed to assist in the transfer of unemployed Canadian workers to places where employment is available. Expenditures made are recovered where possible from employers who are willing to pay the transportation cost of these transfers, and to that extent provide a revolving fund of working capital to aid in the movement of workers to jobs. Where such refunds cannot be assured, and where the minister finds that conditions in an area are such as to warrant such action, he may use this vote to assist unemployed workers in meeting the cost of moving to jobs elsewhere. The amount provided for the fiscal year 1954-55 was not required to the extent at first anticipated, owing to arrangements made with employers to refund the cost of transporting employees who were available for work in new localities.

That, Mr. Chairman, concludes my introductory remarks.

Mrs. Fairclough: Mr. Chairman, the remarks the minister has made will probably help clear up some of the points on which we would undoubtedly have asked questions. However, there are still some things that are not particularly clear. I refer particularly to

the government's contribution to the unemployment insurance fund. I think we shall want more explicit information on that matter.

The reason I had not intended to go into the matter of unemployment insurance at this time is that, as the committee knows, the standing committee on industrial relations is even now sitting and considering amendments to the Unemployment Insurance Act. There will therefore be plenty of opportunity, I take it, for the committee to consider the various clauses of the new act and the administration of the old one, and also to ask such questions as we may wish at that time.

I was interested to hear the minister's report on the administration of the Canada Fair Employment Practices Act, and in particular to learn of the few complaints which had been received by the department. I think this is a point we should all consider. I recall that when we had before us the bill which became the act, speeches were made which sought to disparage the necessity for this type of legislation on the ground that in the various provinces in which it had been put into effect there had been so few complaints that is was thought the enactment of such legislation was scarcely necessary.

However, I like to take the other view and think that Canadians, generally speaking, are law-abiding people. When legislation is brought down the average Canadian reacts to it in a law-abiding manner, even if heretofore he has had different views and has acted in a manner different from the requirements of the act. He now pulls in his horns a bit and says, "After all, this is the law and I must abide by the law." I believe that is why, once legislation of this sort is enacted, we have so few complaints.

I am sure the minister will agree with me that even where we have complaints, a great many of them are readily settled by bringing the two parties together, or sometimes merely by a telephone call to the employer who had not realized that he had offended. Likewise, the complainant sometimes is at fault and when it is brought to the attention of that person he or she will readily admit that possibly he or she has imagined some of the things about which complaints were made. I know this has been the case in some instances, and I am sure it is the case with regard to many of the instances which come to the attention of the department by reason of the administration of this act.

This is a rather momentous year, Mr. Chairman, in labour matters in Canada. We are told that it will not be long now until two major labour congresses in this country join in one large organization. I am sure that is a step we all welcome. I think it is not so much a matter of joining as it is a matter of admitting to themselves that, after all, they have the same objectives and must operate together under one head.

However, this amalgamation of interests in itself presents problems to the government, just as it will undoubtedly present problems to the two congresses themselves and to their local affiliates. I think this would be an appropriate time to draw attention to the fact that the government has not yet got down to a review of our labour laws. We in this party urged such action as long ago as the special session which was held in 1950, at the time the whole country was much upset over the strike of the railway workers. At that time we took particular exception to the institution of compulsory arbitration.

I should like, Mr. Speaker, for the sake of the record to quote briefly some of the comments which were made during the debate that took place on the bill brought down by the government at that time in an effort to form a basis for the settlement of that strike. Hon. members of this house who were here then, and others who are here now and who must have followed the deliberations of parliament on those very contentious matters, will recall that the clause in that bill to which we took particular exception was the clause which instituted a type of compulsory arbitration. Speaking on that occasion the Leader of the Opposition had this to say in part, and I quote from page 26 of *Hansard* for August 30, 1950:

> Section 5 definitely and without any reservation provides for compulsory arbitration.

Then he went on:

> But compulsory arbitration, which is a principle that has not been regarded as acceptable in labour legislation in this country, is not something which, it seems to me, should be suddenly introduced in dealing with an emergency of this kind.

That, Mr. Chairman, has been one of our difficulties right along, that we wait until an urgent situation is upon us and then all of a sudden we try to solve it by some means or other that presents itself to us, without taking into consideration the long-term view.

On that same day the Leader of the Opposition had this to say:

> Compulsory arbitration! That is a moderate term. I do not believe that any legislative body in this country, federal or provincial, would ever in its cool and calm senses consider for a moment the introduction of compulsory arbitration of this kind with no definition of the terms under which it was to be carried out.

Later that same day, after an amendment had been introduced, I find these words at page 61 of *Hansard*:

> Over the years there has been free collective bargaining between the representatives of management and the workers in our great railway organizations. It is highly desirable that the principle of free collective bargaining be retained.

I quote now from page 72 of *Hansard* for the same day, when the Leader of the Opposition said:

> The amendment now before us is simply a further attempt to carry new principles into legislation which at some future date may operate as a precedent, and those who find that being done will regard it as very unsatisfactory indeed. This section neither assures to the Canadian public the continued operation of the railroads in the months and years ahead, nor does it assure the workers the basic right of collective bargaining—

Then I skip a couple of sentences, and he went on:

> I wish to make it quite clear that I regard it as something that is not only unsatisfactory to those directly affected by the limitation imposed by this section on the long established principle of collective bargaining; it is also unsatisfactory to the people of Canada because the bill offers no assurance that this will not happen again. It offers to the workers none of the assurances that their rights are going to be protected in the years ahead.

Then, Mr. Chairman, I should like to quote one short sentence from my own remarks on that same date, which will be found on page 75. I said in part:

> I cannot see how those in the house, regardless of the party leadership they follow, who in their hearts believe in a system of free enterprise, to which we give unlimited lip service, can vote for a section like this which disrupts the management-worker relationships which have been built up in this country over a period of 50 years.

I have quoted those few short sections—and I could have quoted at much greater length, but it is not my desire at this time to delay the committee—in order to place on the record a few excerpts which will show the stand we in this party took at that time. We then asked for a review of Canadian labour legislation. We had some reason to expect that such a review might be undertaken. We asked the government to bring together the representatives of labour, management, and its own officials to consider a revision of the labour code. The government failed to act and now, some five years later, almost nothing has been done in this direction. Here we see another example, Mr. Chairman, of government stagnation in matters of national importance.

A couple of years ago in the industrial relations committee we were assured by the minister that the department was at work on a revision of the labour code. Last year I asked again when we could expect some action. We have had no intimation whatever to date that such a revision will be forthcoming or even, I might add, any indication that the department is actually working on it, other than the hints which have been thrown out from time to time, none of them, I might say, very concrete.

In speaking of the necessity for a revision of the code, I should like to draw attention to the fact that conditions in this country have changed. The conditions under which workers find themselves employed today are far different from those under which they were employed a few years ago. The hours of work have been radically reduced; rates of pay have been changed, and as I mentioned before the amalgamation of the two great labour congresses is now imminent. Types of labour-management negotiations have evolved which were unheard of a few years ago. As a matter of fact, I might almost say that a very few years ago some of the labour negotiations which are taking place today would have been regarded as revolutionary. Today they are accepted.

Women have taken a much more important part in the production of goods and services in this country than formerly. In this regard I might point out that despite the fact that women have entered more and more into the labour market of Canada, there are still no women commissioners on either the civil service commission or the unemployment insurance commission. I know all the excuses which are given to this house for that lack. I cannot believe this situation could not be corrected, one way or another. However, the excuses still hold and not a new one has been added in the time I have been in this house.

There have been a few women appointed to committees, under certain circumstances, but those committees have been called only spasmodically or not at all. The reason given has been that there were subcommittees at work day by day and week by week. Eventually they will have a report to make about this particular situation or that, and then the committee will be called together to hear the report. In many instances the reports were not received and the main committees were not called together. Once again we see the old technique of appointing a committee and then smothering it.

Since I have already spoken of the participation of women in the labour force of this country, I should like to make a few remarks with reference to statements made by the minister when he mentioned what had happened to the women's bureau. He mentioned that the bureau has now had some nine

months of full operation. I look back at previous estimates and I find that in the estimates for 1953-54, in which the appropriation for the women's bureau was first set out, the amount set aside was $21,560, but that only $2,560 was spent during the year. Then last year, with the appointment of a director imminent, the minister budgeted for $24,090. Shortly after the estimates were passed the director was appointed and commenced her duties.

I am sure the first few weeks must have been confusing to her, and she must have had considerable difficulty in deciding just what required her attention first. In any event, when we come to the end of the year we find that instead of having spent $24,000, only $9,107 had been spent.

This year, with the bureau fully staffed and prepared to go ahead, has the appropriation been raised, or is there any provision for accelerating the activities of the bureau? No; the appropriation is approximately the same as last year, at $24,600. We would like to know what the bureau is doing and what are its plans. What are they going to do? The minister has said they have already undertaken a survey of married women who are working. I saw something in the newspaper to that effect over a month ago. About April 1 it was stated in the press that a questionnaire had been sent out to women's organizations.

I realize that women's organizations do tremendous work, and I am sure that from their ranks valuable information could be secured. But, after all, we have the women's division of the national employment service serving right across the country. These offices are well staffed with qualified personnel who undoubtedly could provide that information at what might be described as the professional level, rather than the hit-or-miss result which is bound to follow from a casual distribution of questionnaires sent out only to persons belonging to women's organizations. I do not approve of the method used in this instance. It is far from efficient, and I cannot see where it will produce the desired information.

I heard subsequently that this scheme had been dropped. Very soon thereafter I saw the article in the newspaper, so I presume this is a sort of off again on again procedure. The minister now says there is to be another survey in connection with occupational distribution of women workers, and a survey concerning their earnings. No doubt these surveys will produce interesting figures and information. But if they are to be undertaken in the same manner as the other survey I cannot see how we can hope to obtain definite or conclusive results. Further, I do not see how it can be done on the very small amount of money appropriated for this bureau for the ensuing year. It is my impression that the hands of the bureau are tied, because I do not see how, with such a small appropriation, any plans could be carried out.

I would draw attention to the fact that we now have in Canada a labour force of 5,391,000, and that women comprise 22·33 per cent—almost 25 per cent—of that total labour force. In other words 1,204,000 women are gainfully employed in Canada. Their numbers have more than quadrupled in the last 10 years. Yet in the budget for the Department of Labour, amounting to something more than $6,500,000, the sum set aside for the women's bureau is only $24,600. I realize full well that the research facilities of the department are available to the bureau, and that it would not be efficient for it to set up its own research facilities. I would hope the existing facilities are available to the director and her staff to the extent required. I must say, however, that the overall picture seems to show that the government attaches very little importance to women in employment.

The other big item of news on the labour front this year has been the extent to which unemployment reared its head during the past winter. We have had several debates in the house on the subject already. I heard on the radio first thing this morning that it was expected the presentation of the minister's estimates would precipitate another all-out debate on unemployment. So far as I am concerned it is not my intention to dwell at length on that subject. I have already spoken on it on several occasions, and what I said still stands. I do not intend to take back a word of it.

However, in spite of debates we have had we have seen no action. In March, the last month for which figures are available, we saw the number of unemployed swell to an unheard of total of 632,900. The April figures should be due today or tomorrow. I dare say the minister has them on his desk right now, but we do not have them. The figures last month came out on the 19th, and several times the figures have come out on the 20th.

I have been wondering whether the date of bringing down the unemployment figures has anything to do with the discussion of these estimates today, rather than following the plan which had been proposed a few days ago by the leader of the house. We had expected the estimates of another department would be brought down first and that the estimates of the Department of Labour would follow. However, as time got short and

other debates in the house consumed a little more time than had been anticipated, perhaps the 20th of the month looked uncomfortably close, and it may be that the estimates of the Department of Labour are brought down now in the hope of disposing of them before it becomes necessary to release the number of unemployed persons for the month of April.

Mr. Gregg: I can assure my hon. friend that consideration had nothing to do with the fact that we are discussing the estimates of this department today.

Mrs. Fairclough: I am sure the minister would not expect me not to have my suspicions.

Mr. Diefenbaker: Quite a coincidence.

Mrs. Fairclough: As the hon. member for Prince Albert says, it is quite a coincidence, in any event.

However, regardless of whether that was the reason for hurrying up these estimates—and I do not know the answer—we should ask ourselves what can be done. All through the debates on this subject one party or another has accused the members of other parties of having no consideration for the plight of the workers, of making no suggestions for their relief and offering no plans for the future.

Despite all those remarks, Mr. Chairman, I remember quite clearly hearing a number of good suggestions. Some of them even came from the supporters of the government itself; some came from members of this party; some came from other groups in this house. Surely all these suggestions taken together could not be discounted. Whether they would be workable is another matter. But I do not think any group in this house can point a finger at any other group and say you have no regard for the workers of this country, and you have made no constructive suggestions. I maintain that constructive suggestions have come from every quarter of the house, suggestions which have shown the concern which has been felt by hon. members over the situation in which we found ourselves last winter.

We might almost ask ourselves whether a debate on unemployment is just something that must be endured with the best possible grace by the government, after which it will resume its usual indifferent way. Ottawa, after all, like other capitals, has a rather synthetic quality, a quality which is very often present when a city is built as a capital. As we were told last evening at the dinner which was given by the federal district commission to the students who came here on the Rotary venture, Ottawa was built to house the government. It has practically no industry but government. Not too long ago I came across an article in the Hamilton *Spectator*. In commenting on this state of affairs the writer had this to say, in part:

> This is perhaps why its view of what is happening in the country at large is so often abstract and seems sometimes so downright unrealistic.

He was referring to Ottawa. He went on to say:

> But a man standing in line at the employment office, without work . . . cannot be expected to look at things from a long, abstract perspective. His thinking cannot be expected to stretch to the nation's broad prospects for next year or the year after; it is bounded inescapably by his own immediate prospects for next week's food bill and next month's mortgage payment. He is simply up against a harsh and immediate reality.

The article then goes on to speak of the gap which exists between the point of view of the man in the unemployment queue and government officials who sit here in Ottawa, and it says:

> Precisely because of the heartrending gap that exists . . . between things as they should be (and one day will be again) and things as they are—he and his fellows have every right to look to their prime minister and their government for a great deal more concrete help than they are today receiving.

With respect to concrete help, Mr. Chairman, I do not think for a moment the writer of this article was talking about handouts; he was not talking about the size of the unemployment insurance payments which those workers may receive if they qualify for benefits. He was talking about the broad picture of planning which it is undoubtedly this government's duty to undertake to ensure that this will not happen again.

As I said—and it was said last evening also—here in this building we are insulated against the reality of the day to day existence of some 15 million Canadians. We are unable to see the queues at the national employment offices across this land. We are insulated to a large extent from the distress of individuals. Their first thought is of their families. Here in this place an unreal atmosphere exists. It is the duty of every hon. member to dig beneath the superficialities, to come to grips with the task which is before them and to urge and urge until this government finally does take some steps to make sure that we shall not have a repetition of the situation which we endured last winter.

Several years ago a national advisory council on manpower was set up. Some very important people were appointed to that council, Mr. Chairman, and they met a few times. What happened to them I do not know. Rumours flow around these buildings like

water over a dam. I have no intention of being a rumourmonger. I know what must have activated some of these people. In an attempt to find out what happened, early in the session—as a matter of fact on March 3, at page 1675 of *Hansard*—I asked the minister whether the national advisory council had met this year at all. The minister replied that it had not yet met in this calendar year, but that it had met last year. The following day, having felt that he was in error, he proceeded to correct that statement and said, at page 1717 of *Hansard*:

> This past year there have been meetings and activities of committees responsible to the council.

This bears out the remarks I made a few minutes ago about appointing councils and committees and then letting subcommittees do some of the work, but they never report to the main committee. Perhaps I had better quote the reply all over again, since I interpolated a remark, Mr. Chairman. The minister's remarks were these:

> This past year there have been meetings and activities of committees responsible to the council she mentioned, but the last meeting of the full council itself was held on November 5, 1953.

The last meeting of the national advisory council on manpower was held a year and a half ago. Since that time we have had two bad winters of unemployment. It is quite true, Mr. Chairman, that the committee was probably not set up to deal with the problem of unemployment, but I submit that the ladies and gentlemen who sat on that committee were admirably suited to undertake just such a task. They also constitute the council, and it would have taken very little adjustment to have them change their pace and consider very seriously the problems which were before Canada. What better work have they to perform than to analyse the employment situation? Why should they not supply us with answers as to how we can create jobs? What figure is dangerous in the unemployment position? What industries in this country present the greatest problems? What plans should be made for the future development of Canada, population-wise and industrially? Where does the production of raw materials and their ultimate processing fit into the picture? How much food do we need? Can we produce all of it or what proportion of it? Can we produce it with the farm labour that is available in this country at the present time?

These are questions to which we must have the answers. It is not enough to ride the tide, be it full or ebb. Experiments are costly. The government is in urgent need of detailed answers to these problems, answers which should be supplied before another winter confronts us.

As I said the other day in another debate, now is the time, in this spring of the year, when employment has started to pick up, when the edge is off the urgency, to be planning for next winter. Now is the time when the government should be undertaking these two main projects; one, the finding of answers to the problems which confront us in the field of unemployment, and two, a revision of the labour laws under which our people work today.

Mr. Gillis: Mr. Chairman, I am going to try to be specific and as brief as possible. During this session we have gone into many aspects of the minister's department, and I do not see any point in discussing them again. Some of the things I might talk about at this time are being worked on, which is much more important than just talking about them. For example, the Unemployment Insurance Act is now before a committee, and we will have a chance to discuss that act in all its details.

Another matter I might go into at some length on the minister's estimates is the general condition of the coal mining industry in Nova Scotia and its relationship to unemployment. However, I am not going to do that at this time because a conference is commencing tomorrow in Halifax at which all the dignitaries of state will be present, including the Minister of Labour and representatives from the industry and the union. They will make a general examination of the industry and its future, and I hope will come up with some answers.

One of the matters to be considered is the proposal to close one of the major collieries in the Glace Bay area which will affect some 750 men. To that extent unemployment will be created which will have considerable effect on a large community. I mention that because I know the minister is going to be asked what he is going to do about those who will be added to the unemployment rolls if this colliery closure actually takes place. Personally I am in hopes that it will not.

This matter of anticipated further unemployment raises the question of vocational training. While the minister was making his statement I took a look at his estimates and got some idea why the Minister of Finance went into deficit budgeting. Apparently the Minister of Labour tried quite hard to help make up the anticipated deficit in the budget by cutting his estimates in a field which has much to do with the matter of unemployment. I was really surprised as I think

this is the very time when expenditures in that particular field should be increased.

If you look at the estimates you will find that the grants to provinces for vocational training purposes have been cut by $109,000, while the capital grants for the purpose of assisting in the providing of vocational schools have been cut by $651,450. I have said this a good many times in the house, but apparently not much attention is paid to what we say on this subject by the experts who do the figuring. I contend that if there is one field in which we are short in Canada it is the field of vocational training.

In justifying the cut in the estimates for vocational training the minister said they had met their commitments. They may have had commitments over the last five years under the agreements with the provinces, but that does not alter the fact that the need is greater today than it was when the agreements were first signed. The agreements have to be renewed, and the way to renew them is not by cutting out the money which was necessary in the past to maintain them.

I suggest seriously to the minister that this is something he will have to consider. We should stop and think of the great need in this country for vocational training of the boys and girls who are coming out of school. We have been very shortsighted in this whole field. Of the school population across Canada, about 40 per cent go through high school, and about 10 per cent of that 40 per cent get to university. Ninety per cent of our school population go into the ranks of the employed every year with nothing to sell. If these people are to become citizens able to make a maximum contribution they must be trained in trades or other lines of work for which they may be fitted.

These young people are citizens of Canada; some of them will be running this country in the future. Instead of recognizing the need for retraining in connection with industries where thousands and thousands of people are becoming unemployed every year, the minister's department is cutting the estimates. The needs for vocational training are very great today.

If the minister will stop and think for one moment he will realize that the greatest contributing factor to unemployment in Canada, and in the United States as far as that is concerned, is automation, the displacement of man by the machine. This word "automation" is being used to make it sound a little better, but all it means is that the employer is improving his machinery so he can get more production from fewer men. Some day we will have to answer the question whether the machine is going to be the servant of man or man the servant of the machine.

Within the next few years we are going to find that automation will be putting more and more men on the street and we will be faced with the problem of retraining men for some other gainful occupation. Instead of doing that we are cutting down the very organization that is needed to train our men and women so they may make a contribution to the country. Instead of training people who might become displaced, we are going into reverse and practically cutting out these grants.

I was surprised and disappointed on looking at the estimates to see the extent to which vocational training was being disregarded at this time. I hope the minister will give further consideration to this matter and provide a vote in the supplementaries to offset the decreases in the estimates at this time. Before his estimates are finished I should like the minister to tell us why these reductions in the vocational training votes have been made. Were the provinces not interested in continuing them? Surely there must have been some correspondence with the provinces in regard to the agreements and their renewal. I should like to know what position was taken by the province from which I come, because one of the crying needs in that end of the country is a vocational training program, and this is particularly so in the face of automation.

The trouble in the mining industry in Nova Scotia today has been brought about largely by the introduction of new machinery. The Sydney steel plant was modernized, and a great deal of noise was made about the amount of money that went into that program. But this company was able to maintain the ratio of production it had in 1939 and through the war even though it got rid of 1,600 men in the process. They joined the ranks of the unemployed and moved to some other part of the country. They became displaced persons. If there had been some kind of retraining program they might have had an easier time finding other employment.

I have recommended to the minister many times something I think should be done. Whilst the advisory council on employment may serve a useful purpose, I do not think it is as practical as the kind of thing I think should be done. The men and women on the advisory council for employment are largely people who live in the city and have offices here, and they are out of touch with the industries as they exist today across the

country. I may have worked in the mining industry some years ago, but it has changed. The men who are on that council may have worked in an industry some years ago, but that industry has changed.

I have recommended to the minister a good many times the type of organization I think he should have. I believe what are known as industrial councils should be formed. I believe the minister should have a council for the automobile industry, for example, of men who work in and around that industry, so that when a proposal is made by the automobile employers to make a change-over in their equipment or machinery, before that happens he can sit down with men who are aware of what the impact of that particular change is going to mean in the community with regard to unemployment. Perhaps the industry and a representative from the union, from the men themselves who understand the situation, sitting around with the minister's advisers and counsellors, would be able to work out some formula that would offset the impact that particular change-over may have in the community.

In the way things are done today, where the employer is allowed to throw into the street two or three thousand people without any thought of their investment in the community, in my opinion he is accepting no social responsibility whatsoever. Through these industrial councils the minister's department, employer and employee can sit around and discuss the question. Then the government, which is expected to handle unemployment when it happens, will have some knowledge of what might be done, before it is all tangled up and just hopes something may happen to cure the ills of that particular industry.

You have an industrial council in the building trades. That industry has had one for years. It has sat down with the minister's officials from time to time and worked out formulas that have prevented difficulties and troubles in that industry over the years. If it is good for that industry, why is it not good for the automobile industry, for the textile industry, for the mining industry, for all these basic industries across the country in which there is dislocation because of automation? You would have firsthand information from people who are involved, from people who could give you much advice on the handling of the matter.

We can talk about unemployment as much as we like, but I do not think the government, in making cuts in the labour department estimates, is recognizing the situation at all. The trend is to reduce further the machinery that has been set up under the minister's department in that particular field. I notice also that the administrative cost of the unemployment insurance commission is being cut at this time by $1,014,000.

Mr. Philpott: Maybe we are getting more efficient.

Mr. Gillis: I am not so sure of that. That will be answered in the future. You are just making this reduction. I do not think the burden of that commission is becoming less and less.

Mr. Gregg: Perhaps my hon. friend would not mind my interrupting him. Most of that was due not to a cut in the services but rather to a change-over to the Department of Public Works of responsibility for the costs of buildings and maintenance of buildings, which we used to carry in our vote.

Mr. Gillis: It might cost more in the long run. I am not going to argue the point, but I am just mentioning the fact that there is a cut. On the other hand, the hon. member for Vancouver South interjects that they are becoming more efficient. Maybe you are not paying enough wages to the people administering that act. I know the local people with whom I have contact from time to time, the managers of offices, the people who prepare claims and the insurance officers who adjudicate the claims, who are all very efficient, are very poorly paid considering their qualifications. If the minister had a million dollars to play around with, instead of cutting it off and giving it to the Minister of Finance to offset the deficit he thinks he is going to accumulate this year, it would be better if the minister used that money to increase the salaries of those who administer the act, and who do a very good job.

In that way the minister would be putting additional purchasing power in the hands of a certain section of the public, which might create jobs and offset unemployment in some industries. It is false economy to say simply, "We are not going to spend it this year; we do not need it", and let the Minister of Finance take it and maybe use it to pay the interest on the national debt to the banks. I cannot see it in that way. You should never let that amount of money get out of your hands. There are many places where you can use it in your own department.

I notice that this year there is a reduction of $100,000 in the vote for the transfer of labour. I do not think good judgment is shown in reducing that vote. If the maritime provinces continue the way they are going you may have many displaced persons on your hands in that part of the country

whom you may have to ship out to British Columbia or somewhere else to find employment. Instead of reducing that grant it should have at least remained as it was, until such time as the minister was convinced that we are going to get some stability in employment and are not going to have this shifting mobile labour reserve that is developing. We call it unemployment today; others used to call it something else. But with the number of unemployed there is today that transfer of labour vote should have remained at least as it was.

Seasonal unemployment was the main theme of a very long debate in this house. The minister said, "There is not much unemployment; what we have is seasonal, and there is not much to it". Well, he is going to fight that next year, and he is appropriating the huge sum of $25,000 to combat seasonal unemployment. In my judgment, the estimates of the minister's department this year are the most unrealistic I have seen for a long time. The reason may be that the Minister of Finance has made certain promises that he is going to balance the budget at all costs and he may be going to do it in this way. But I think it is the wrong way to do it.

I have suggested a few times in the house that part of the answer to many of the problems that plague us from time to time is the guaranteed annual wage. The last time I talked about that—and I am not going to go into details now—I suggested to the minister that there are two problems which confront this North American continent in the future. One of them is the question of automation. The fact is that the big industrialists who work on the resources of this country say when there is going to be employment or unemployment. It is a heritage of the system. The minister is not going to be in any position to cure that situation until he has some say in the regulation of those who work on the resources of this country.

Machinery is being improved all the time. As machinery is improved, you are automatically going to get more and more unemployment. Accepting that proposition as a fact—and it is a fact—the next question you must face is this. You are either going to have a guaranteed annual wage, under which the employees of a given industry are going to have an income the year round, or you are going to have to amend your Unemployment Insurance Act in order to cover everybody in the country. It is one thing or the other. The guaranteed annual wage is the preferable way of doing the thing because it will make industry contribute its fair share to the maintenance of their employees. You do not just take a horse and throw it out on the street. You do not just feed it when it is working for you. You must feed it all the time.

I suggest that there is no one who today has a formula that he can say is workable or practicable. There are a great many people studying the matter. I myself have a number of ideas on it. However, I suggest that the minister should have an interdepartmental committee—and he has many qualified people in his department—who would sit down and make a detailed study of just what the guaranteed annual wage would mean in the basic industries across this country.

The automobile industry is one where you get three months of unemployment every time there is a swing-over in the model of a car. To some extent the mining industry in eastern Canada is seasonal because there is a slack period during the winter months when the St. Lawrence river is closed. The same thing is true in the steel industry. I believe the minister's department is perhaps the most capable organization in Canada to sit down and work out the details—and honestly to work at the thing—as to whether the guaranteed annual wage is a practical proposition or otherwise.

We in this country are beginning to meet problems that we are going to have to face up to. In the past we solved our unemployment problem and our automation problem by getting into a couple of wars. We do not want to do it in that way any more. As the international situation is today, it looks as though the hydrogen bomb and the atomic bomb have frightened people at least into the position that they are not going to have war. If they are not going to have war, let us not breed revolution by failing to provide at least food, clothing and shelter for people.

When you take a look at the conditions that are described from time to time in some of the booklets you pick up, which are put out by social workers who are obliged to work in the various communities and who see the impact of unemployment on family life in this country, you find that the situation is really staggering; it frightens you. I am not going to read from this publication. It is the *Social Worker* for April and it sets out the problem in Toronto from that particular angle. When you read it you say to yourself, "War is over, we hope. Now we face the realities of life as to whether we are going to produce for use or whether we are going to produce just in order to make millionaires". You are faced with that question. You have two contending orders of society. One is saying, "Your kind of society will not work", and we are saying, "It will work; cling to your freedom".

You cannot tell that kind of story to a fellow who is hungry, who is unemployed, who has a wife and four children whom they have taken from him because he is not able to feed them, who has been evicted from his home and has had his family broken up. You cannot tell that fellow that he has freedom, democracy and the right to work for a living. It just does not work. To him any change is welcome. We are getting all too many people across this country affected in that way. I know it is not a particularly easy thing for me to go back to my own part of the country and stand up and talk to a bunch of people who want to work, and who are hard-headed realists. All they want out of life is just a home and the right to look after their families. But if they are working two days a week, or are not able to do that, there is no use telling them to cling to the present system, that it is the best thing for them, because we have been telling them that now for 50 years. We must start to make some fundamental changes.

As I said before, I believe one of the changes we are going to have to make—and it is fairly well advanced in the United States today—is the establishment of the guaranteed minimum wage. I know about the fellow who wants to make $3 million a year for himself. He is not going to like that change. But it is not the taxes you pay or that kind of thing that matters; it is what you have left. These fellows will not be hurt too badly in the long run. Their homes will not be taken from them. They must be made to realize that the resources of this country belong to all of the people of this country.

Governments also must begin to realize that they are the custodians of the resources, that they hold them in trust and they must see that they are managed in the best interests of all of the people of this country. It is our responsibility to see that that is done. The government sets a good example in the matter of the guaranteed annual wage. All the permanent civil servants get it. Members of the House of Commons get it. All the managerial staff in industry get it. All the white-collar workers and the managers are paid whether the plant is working or not. The only people who are not paid are those who really produce in industry.

Another thing we are going to have to face up to is this matter of the age limit on getting into an industry today. If you are 40 years of age you are through working. For the benefit of the minister, inasmuch as he is going down to that conference in Halifax, I might say I am reliably informed that in that No. 1-B colliery that you are going to be asked something about, at least 60 per cent of the men employed are over 40 years of age. When you are thrown out at that age you are not only unemployed; that is the death sentence, you are through living.

I believe the government could take a cue in that matter themselves, because under their civil service regulations they also enforce that kind of thing. They keep out of employment in the civil service men and women who have reached that age, and who merely want to go in to do office work. In my judgment they are more capable at that age than they are at 20. It would not be a bad idea if the government changed the regulations in that respect. There are a great many people they could employ but who cannot find employment because of that 40-year age limit in the civil service regulations.

Mr. Chairman, I have talked for longer than I had intended. As the minister's estimates are discussed item by item we shall likely have many more things to say to him. I shall just sit down and say no more now.

Mr. Johnston (Bow River): Mr. Chairman, it is not my intention to carry on a debate at this time. Some of the other hon. members have made that same statement but have carried on probably for their full 40 minutes anyway. I do not intend to do that. Most of my speeches are short.

An hon. Member: Oh, oh.

Mr. Johnston (Bow River): They are as short as the occasion demands; let me put it that way. I think the Department of Labour of late has been doing something which has been long in coming, and which is going to result in a good deal of benefit to the working people of this country. I have in mind the rewriting of the Unemployment Insurance Act. Probably that is one of the most important things that will come before the House of Commons during this session.

We have been spending a great deal of time in the committee going over the Unemployment Insurance Act. I know we had quite a sitting on it this morning, and last week we had quite a go at it. We are going to have another go at it next week. Therefore I take it that it would not be appropriate to carry on any discussion on this occasion with regard to the Unemployment Insurance Act.

Some reference has been made to items in these estimates where there has been a decrease. The hon. member for Vancouver South a moment ago suggested that maybe that decrease was due to increased efficiency. I would hardly agree with that statement, because this department has to deal with

unemployment. If there has been that increase in efficiency, so the department is better able to handle that problem, then I would suggest to members on the other side of the house we should be having a decrease in unemployment rather than an increase. This year has shown a tremendous increase, and I do not think the prospects are any too good for next year. Certainly the fact that we have had such a tremendous increase in unemployment would not indicate that the department is being handled any more efficiently in that respect. I do not mean to imply that the minister is not capable, and I shall mention that later in the few remarks I have to make.

Some suggestions have been made concerning the expenditure on vocational training. I am quite concerned about vocational training. I feel that is something to which a good deal of attention should be paid, but I cannot see much sense in training people to do a job when, after they have completed their training, there is no job nor any prospect of one. I am not for a moment minimizing the fact that people should be trained. This is a period of specialization. Nearly all the industries across this country are demanding specialists because we are coming to that point in our industrial expansion when, as the member for Cape Breton South indicated, we are seeing greater production by machines. There is only one result that will follow from the increased use and increased efficiency of machines, and that will be increased unemployment. There cannot be any other answer.

I am not one who would suggest for a moment that we should decrease the use of machines in order to keep people at work. I do not think that is the purpose of civilization. I believe we should increase the use of the most technical machines to the point where, if the whole operation can be performed by pushing one button, so much the better. The hon. member for Cape Breton South seems to be concerned about that, at least to the point where he suggests something is going to have to be done. Of course it is. We in the Social Credit party have advocated for years that the solution is to take away the earning power of the machine and give it back to the people the machine displaced, so the people will be able to purchase the production of that machine. This philosophy is just beginning now to slowly seep into the minds of some, and as yet it has not permeated the minds of others.

Some may say, "Well, now, that is silly; you cannot do that." We are being forced to it gradually, but in the process of being forced to it this year we have had over 632,000 unemployed. These people are not receiving enough to give them the standard of living to which they are entitled. We have family allowances, and what is that but a method of redistributing purchasing power? Certainly it is not done on a scientific basis. It is only a redistribution of the existing insufficient amount of purchasing power. Unemployment insurance is another means of distributing purchasing power to those people who are not actively employed in the production of goods and services. This principle is going to have to be continued. Another method is through the distribution of old age pensions.

This year we did increase the supplementary benefits under unemployment insurance for a limited period. As soon as that period is exhausted, then the worker is right back into the old rut. You have people with insufficient purchasing power who can buy only a limited amount of goods, and that reduces the amount of goods produced, so there is a still further decrease in the production of goods. Surely that is not such a deep secret that the members of this house or the officials of the minister's department cannot cope with it if they really get down to business.

It seems to me the minister's department is being placed in a very unfavourable position. He is being criticized for something over which he has no control. I believe we will have to consolidate two or three departments with the Department of Labour, such as trade and commerce and the department which deals with development of our natural resources.

Mr. Blackmore: And finance.

Mr. Johnston (Bow River): And finance, if you like, but particularly the three I mentioned. If we do not have developments in the Department of Trade and Commerce which result in extending our markets and our trade, then of course we should produce less goods for export. If we have no development of our natural resources to make available the goods and services this country can produce, then the Minister of Labour is being forced to look after the inefficiencies of the other two departments. The other departments say, "Here are these unemployed who are the result of the inefficiency of our departments; you look after them." He has no way of solving that problem. In fact, even if he were to go to the government—he can correct me if I am wrong—and ask for an increased appropriation to give these unemployed a decent standard of living, what would treasury board tell him? They would

say, you just cannot have any more money. How is the minister going to efficiently care for the ever-increasing number who become unemployed as a result of the inefficiency of other departments in the government over which he has no control.

Mr. Blackmore: Including finance.

Mr. Johnston (Bow River): It seems to me that when we are talking about the labour department it is directly connected with these other departments I have named. The other day I said I thought there was no minister who ever headed that department who was more sympathetic to the problems that are facing him than the present Minister of Labour.

Mr. Martin: Hear, hear.

Mr. Johnston (Bow River): I am not going to pat him on the back too much, because I think he should listen to what I have to say and then get after these other ministers who are really responsible for the unemployment problem. In this house we indicate by our actions and our speeches that the Minister of Labour is the one who is responsible for unemployment. That is not true. He may be responsible for keeping the unemployed, for maintaining them while they are unemployed, but that is all. He has said, and the government have said, that this unemployment is only a seasonal condition; after a few weeks the unemployed will be taken care of. That is not true. Even the Minister of Labour and the government have to recognize that this tremendous increase in unemployment that we are experiencing today is not seasonal. It is something that is going to stay with us for quite some time.

The hon. member for Cape Breton South indicated that in the past the solution to this problem has been the intervention of war. He indicated, further, that probably because of the H-bomb people were becoming fearful of the results of war, and the nations of the world were not going to war because of the fear of extermination. I am sure everybody would be pleased if that were true. If it is true we will not have war to come to our assistance and bolster up the old, outmoded, orthodox system that has always failed in cases of emergency. The only time it has ever come through is when we have had a major catastrophe such as war.

An hon. Member: Making a good C.C.F. speech.

Mr. Johnston (Bow River): The socialists are having more trouble, where socialism is practised in any other part of the world.

[Mr. Johnston (Bow River).]

Mr. Blackmore: They cannot get production.

Mr. Johnston (Bow River): My hon. friend says I am making a good socialist speech. God forbid! Even they themselves prosper from the fruits of private enterprise. They would not do away with it for the world. Of course no sensible person would do away with private enterprise, particularly when we look around us and see that we have more production than this system knows what to do with. How can we blame industry for our present position?

What I have said shows the thinking of socialist members in the house. I have great respect for the hon. member for Cape Breton South, but only a few moments ago he said industry was supposed to take care of the unemployed, that it was supposed to give jobs, to guarantee annual wages, to give family allowances, and all the rest of it. I do not think any sensible person will contradict me when I say that the purpose of industry is to produce goods. In the operation of producing goods jobs are made automatically. It is the government's job through the financial system to provide markets, and one of the best markets we have is our market right here in Canada, among our own people. The higher we raise our standard of living, the more industry will produce to meet our requirements and the more jobs there will be. Social Credit has given the solution.

Mr. Winch: The hon. member says it is the responsibility of private enterprise to produce and that of government to supply the market.

Mr. Johnston (Bow River): The government has to supply the market, whether it be through foreign trade or in some other way by the application of their financial policies. Government policy must involve going out and finding markets for our exportable goods. Government policy will do this, in conjunction with private enterprise.

Mr. Philpott: If that is not socialism, what is it?

Mr. Johnston (Bow River): This is done through control of the financial policy. The other day the hon. member for Acadia gave a good example of how the government could extend our markets by the acceptance of some of the soft currencies. It was not long ago that most hon. members voted against that suggestion. Through the manipulation of that financial policy the government could extend our markets, and through

the manipulation of the financial policy the government could make it possible for the people of this country to have sufficient purchasing power, whether through increased wages or salaries, increased family allowances, or national dividends, as we have suggested. I am not going to argue about national dividends at this time.

It is the responsibility of government to see to it that the people have the purchasing power to buy the goods industry is producing. When that falls down—as it has fallen down—the Minister of Labour finds himself in a helpless position. I am quite sure that if he were to ask treasury board for more money to take adequate care of the unemployed he would be told he could not have it. If I am wrong I stand to be corrected, but I do not think I am wrong. I would like to see the minister do that.

I said a moment ago that I was not going to speak as long as others have spoken. I may have exceeded my 15 minutes by a half minute or so, but I shall conclude by saying that during this session the minister has given sympathetic attention to the hearings in committees. I believe he is trying to do a good job, regardless of the handicap from which he suffers.

As the items are called I may have something further to say.

(Translation):

Mr. Maltais: Mr. Chairman, I would like to submit to the consideration of this house, on this occasion, a few remarks on a problem of interest to every Canadian citizen, that of the difficult position of our older workers in the labour market of this country.

During the past few years, recurring periods of seasonal unemployment have made all the more evident the difficulties and worries experienced by this very important part of our working force.

The plight of our older workers is not something peculiar to this country, but economic and social considerations would lead us to think that labour and employment conditions in their case will grow worse unless remedial measures are taken, and taken soon.

We all know that the population of this country is gradually increasing. Every year the Canadian nation as a whole is also growing more mature, and the number of our people who are over 45 years of age is daily growing larger. At the same time the proportion of young people under 20 is growing less.

In 1881 the number of Canadians over 40 years of age made up 20 per cent of the population of this country. Now this same group makes up practically 33 per cent of the same population.

At the turn of the century, there were 15 adults under 65 for every person aged 65 and over, whereas now there are only 7 adults under 65 for every person aged 65 and over.

In a survey conducted by the Department of Labour, which I have completed with other statistics, it is shown that the population of Ontario, which, allowing for certain adjustments, is fairly indicative of the general composition of the population of the whole country, was made up in 1881 of 16 per cent aged 45 and more, 38 per cent being under 20.

In 1951 this same population was made up of 31 per cent aged 45 and above, only 24 per cent being under 20. A survey of trends observed throughout the development of the Canadian nation over the past fifty years shows that, by 1971, 38 per cent of the population will be made up of people over 45 and that those under 20 will represent 17·8 per cent.

In other words, then, the increase in population and maturity in Canada is accompanied by a marked increase in the number of workers over 40.

But as the older element of the population increases another trend becomes increasingly noticeable. Casual observation reveals that employers of labour show a marked preference for workers under 40. That trend creates a feeling of insecurity, among older workers, all the more so in the wake of revolutionary changes which have occurred in our economy as a result of advanced and accelerated technology and the resultant acute competition in both our domestic and export markets.

Statistics issued by the unemployment insurance commission show fairly well how hard it is for older men to find jobs. For instance, in 1952, 36·5 per cent of the total applications for work received by the commission offices, everywhere in Canada, were from people over 45. The curious fact that this percentage remains practically constant throughout the year shows what restrictions exist for older workers with respect to job opportunities.

In the light of those figures, a fact stands out: not only must careful consideration be given to ways and means of helping older workers but, at the same time, employers themselves should seek to solve that national problem.

Many reasons have been given—most of them based on preconceived ideas—to explain the limits imposed upon the employment of older workers and the increasing difficulty with which they can share in the production of our national wealth.

In certain quarters it is said that this change which industry has undergone following extreme mechanization and application of the mass production principle has led employers to believe that older workers were slower in adjusting themselves to the new techniques and that accidents and absenteeism were more frequent among these older workers.

In this mad productivity race we have even been led to believe that older workers were slowing down production.

On the other hand, many industries have training plans which involve quite a large investment, and they have the preconceived idea that it would not be profitable to let older workers train for a job they would hold for a limited time.

Elsewhere, these same workers who are looking for work are handicapped on account of pension plans already in operation in many industries. It is claimed that to employ these older workers would make such pension plans more costly.

But, I think that the greatest wrong inflicted on our older workers is to be found in the common saying that the general public prefer and seek younger workers.

It would take too long, Mr. Chairman, to analyse both sides of the arguments I have just mentioned.

However, I think everybody will agree that during the second world war, when we had to call upon all the resources of our nation, the Canadian worker, whatever his age, did the job well, to the benefit of our Canadian nation.

Mr. A. R. Mosher, in a statement made in 1952, gave a brilliant account of the very important part which our older workers have played and of the valuable contribution they have made to victory. I would like to read that statement into *Hansard*. I quote:

> Nobody will suggest for one moment that a worker whose faculties are weakened by age or other circumstances has a right to a job which he cannot fill efficiently. On the other hand, in each plant there are numerous jobs which do not require the same deftness of hand or eye as would be expected of a young worker. During the war, when we sought the services of everyone who could be useful, with or without training, we found that older people could make a valuable contribution to our war effort. They were more stable and more responsible; their attendance record was excellent and they were capable of doing quite satisfactorily the work entrusted to them.
>
> Sure, the work given older people had to be of a particular kind and they were not asked to do work requiring too much skill, unless they could prove by tests that they were capable of doing that work.
>
> It has been clearly shown that older workers have a great ability to adjust themselves to a new trade and that they derive much pride and satisfaction from doing their work because their capacity is recognized.
>
> Moreover, it is to be noted that although industry and governments have set the retirement age at 65, many people who work for themselves, such as merchants, wholesalers and garage owners are still able to earn their living and manage their own business even to the age of 80.
>
> That applies equally well to farmers who, generally speaking, can still look after their farms at a ripe old age.
>
> A change of attitude towards older workers is essential. I sincerely believe that if an older worker still wishes to contribute to the nation's productive capacity, he should be permitted to do so.

Mr. Chairman, so far governments have done much to improve labour conditions. They have passed legislation on minimum wages, workmen's compensation, unemployment insurance, retirement benefits in the industry and limitation of working hours. Nevertheless, the situation of the older workers has become a very important problem. Unless steps are taken to help older workers, especially if the industry persists in allowing the increased discrimination which is being shown against such a large proportion of our manpower, the present standards of our welfare legislation will soon have to be changed in order to ensure to those Canadians the security to which they are entitled.

The ever-depressing effects on the older men with dependents of a lack of work and security not only affects his own family but becomes a threat to the welfare of the people.

Canadians who are having serious difficulties in finding employment are now resorting to palliative measures of relief, such as unemployment insurance or a pension system which only partly meets their family needs.

At the rate at which our population is now increasing, we may expect requests for very drastic social legislation, if the labour market for older men keeps on shrinking, compelling those over 50 to cope with more or less protracted periods of unemployment or to give up their employment altogether when they reach the age of 60 or so. As a matter of fact, I can see the day, Mr. Chairman, when the government might be forced to alter the

present scale of old age pension as a result of those conditions.

It is estimated that in 1961 there will be in Canada 689,300 people 70 years old or more in receipt of old age pension at a total cost of $417 million. And as this pension could possibly become payable at age 60, if working conditions of our older workers are allowed to remain as they are today it will then cost the state close to a billion dollars to support legislation of that kind.

Of course, the additional burden of this increase will have to be paid by people in the lower age group, who will also continue to assume all other costs of government administration. If this assumption is pursued a little further, we might even come to the point where all Canadians between 20 and 45 would have to carry the whole burden of our national economy. Our way of life could certainly not stand up to such conditions. The problem of older workers therefore needs the urgent attention not only of the governments but of the people themselves.

Several means were suggested in order to prevent such a situation, but I do not think it could be altered from one day to the next.

Can the guaranteed annual wage improve the position of the older worker by ensuring him either a definite income or a secure period of employment?

Could it be said that a more satisfactory birthrate might, one day, establish a better balance between the various age groups of our people? I dare hope so, Mr. Chairman.

At all events, I would like to submit to this house the opportunity of introducing in this country a national contributory pension plan where payment of a pension would solely be based on the age factor. To my mind, adoption of such a proposal would help the older worker overcome the feeling of insecurity which is becoming his lot, in view of a reluctant labour market with regard to employment possibilities.

A number of firms already have pension plans for their employees and the Department of Labour is associated with many of these programs. Any experience acquired by industry and government in the operation of these plans could serve as a basis for the study of a universal industrial pension plan. This pension plan should be flexible enough to allow an employee to transfer to another job while keeping his pension rights.

A measure of that kind has already been adopted in England following the Beveridge report and Canada should explore this new avenue of social security in order to avoid the disastrous consequences which may arise from the situation of older workers.

It is not the only means available to remedy this situation fully. But I am convinced that a study of such a pension scheme will give us an opportunity to work out an over-all plan which will include our whole employment policy regarding industry.

(Text):

Mr. Drew: Mr. Chairman, I propose to deal particularly with the requests which have been made on earlier occasions, and which were repeated today by the hon. member for Hamilton West, that there be a general review of the labour relations act and labour legislation generally. This has been under discussion now for five years; it may have been under discussion before, but it came particularly into focus in 1950 at the time of the railway strike when a bill was introduced in this house during the emergency session to deal with the situation resulting from that strike.

It will be recalled that at that time we proposed a method by which the emergency could have been dealt with and the rail services put into immediate operation without introducing the principle of compulsory arbitration. At that time we emphasized, as we have on subsequent occasions, the need for recognizing that the situation which then became a national emergency was one that called for careful examination with a view to the solution of similar difficulties in the future, that departure from the established practice not being an acceptable precedent.

Five years have passed. As the hon. member for Hamilton West pointed out this afternoon, we have had vague assurances from time to time that the labour legislation is under review. We have not seen any evidence of it; we have not been given any assurance that this is being given the consideration that it requires. Therefore this afternoon I propose to deal with this matter from the point of view of the inadequacy of the legislation as it is today and the new emphasis which has been placed upon the need for a thorough examination of labour legislation and appropriate changes which will bring our labour legislation up to date and make it an effective instrument for the exten-

sion of good will between the organized workers, management and those responsible for the enforcement of our laws.

At the time the emergency measure was before the house on August 30, 1950, at the conclusion of my remarks in which I had put forward an alternative which would have avoided the necessity of compulsory arbitration but nevertheless put the rail services into operation, I reviewed the situation and concluded with these remarks, as reported on page 31 of *Hansard* of August 30, 1950:

> We are sometimes inclined to exaggerate the number of disputes. If there is a strike, naturally it is noticed by everyone. What is often ignored is the vastly greater number of friendly and co-operative solutions that are reached by the system of collective bargaining that has been worked out through long years of trial and error. In finding a solution for this problem, let us not create equally great problems for another day.
>
> In a spirit of good will, and with a desire to bring into operation these vital arteries of the life of Canada as soon as possible, we can solve this problem in a way that will protect the rights of all our people, the rights of every part of our community, will continue the efficient operation of our great railways, and will be to the best advantage of the nation that we love.

Those remarks preceded subsequent requests that our labour legislation generally be reviewed under a procedure similar to that which had been found so satisfactory when the national war labour board was set up under the chairmanship of the Hon. C. P. McTague in 1943 with instructions to inquire into collective bargaining and related problems. Without seeking to rub salt in a wound that sometimes seems sensitive, may I point out that the very uncertain attitude of this government toward public inquiries is emphasized by the number of occasions on which public inquiries instituted by this government have proved satisfactory along with the number of occasions on which they have not.

Once again may I point out that the government has given the best possible evidence that public inquiries instituted under the Inquiries Act can be most beneficial. One outstanding example was the inquiry conducted by the board under the Hon. C. P. McTague because the report brought in as a result of that inquiry produced the labour regulations incorporated into P.C. 1003 passed on February 17, 1944, which undoubtedly had much to do with the splendid team work that has existed between management, labour and the agencies of government during these critical years.

That inquiry emphasized the fact that with the changing conditions there are of necessity changing requirements, but that there are certain basic principles which do not change and which are fundamental to the strength of labour organization and peace within the whole community in relation to problems which affect our workers. The two principles which are the bedrock of good labour relations are union recognition and collective bargaining.

I have no intention of embarking on what might be regarded as a political speech in regard to this subject, but I cannot refrain from making comment about the extent to which the Liberal mythology has extended, even into this field. I was present at a dinner given by the Trades and Labour Congress as a farewell testimonial to that great representative of organized labour in this country, Percy Bengough, just a few months ago. On that occasion the Minister of Labour, for whom personally I have the highest regard as a result of our long association, made a speech which I can only hope was furnished to him from records out of this mythology. On that occasion I heard the minister tell about what purported to be the beginning of understandable labour relations in this country. According to that mythology everything that really was good began with the Liberal governments in this country. Mr. Chairman, the applause from the other side, which cannot be reported in *Hansard* but to which I should like to pay notice, merely indicates the extent to which this mythology has extended into the minds of the members opposite. Here is another occasion where it does indicate that perhaps members of parliament themselves might well do a little reading of their own history from time to time. If ever there was a fabricated mythology, it was the suggestion that recognition of the rights of unions and collective bargaining began with the Liberal governments in this century, and particularly with the Liberal government under Mr. Mackenzie King.

I have in my possession an attractive souvenir. It is a gold case presented on July 1, 1872, to Lady Macdonald. On that gold case are these words:

> Presented by the International Working Men's Unions to Lady Macdonald as a testimonial of their respect for the wife of Canada's greatest statesman, July 1, 1872.

What was the reason why the international working men's unions—the word "unions" is in the plural—were giving this beautiful box to Lady Macdonald on that occasion? It was not merely a gracious gesture to the wife of the prime minister; it was in recognition of the fact that it was the government

of Sir John Macdonald that in 1871 introduced the legislation which gave unions recognition, the right of collective bargaining and the right to strike. At that time—

Mr. Dickey: They did not keep it up.

Mr. Drew: I did not hear that interjection. I wonder if it could be repeated?

An hon. Member: It was not worth listening to.

Mr. Drew: I always like to hear some of these interjections. They are usually so illuminating as evidence of the extent to which Liberals themselves have been fooled by their own propaganda.

Mr. Dickey: I said that it is too bad they did not keep it up.

Mr. Drew: The hon. member now says loud enough to be heard, "It is too bad they did not keep it up". It just shows that he has not read the elementary history of Canada, because they did keep it up and I could go on for some time through the record of subsequent legislation. He does not know, of course, that in 1890, following the conviction of certain Hamilton bricklayers who went on strike in 1888 because of a local situation there, a law was passed which protected the workmen from any prosecution for conspiracy in refusing to work with or for any employer or workmen. It would be well if the hon. member for Halifax would just go back and read a little history. Perhaps also he might go back and read something about what happened under Sir Robert Borden when in 1918 he dealt with these very problems and at that time laid down certain principles which have become established principles within our labour organizations in this country, and principles, I might say, that the Minister of Labour before his political conversion would have reason to remember.

These are things that have gone right on through the piece. Since the hon. member for Halifax exemplifies the extent to which the Liberal mythology has been swallowed by some of the hon. members opposite, may I remind him that a great milestone in labour legislation and in the rights of labour came with the treaty of Versailles and the incidental features of that treaty. The labour organization of the league of nations was provided for and through the general council of that organization draft conventions were established for setting up wage machinery, hours of work and days of rest and other matters of that kind. These conventions were signed for Canada by a Conservative prime minister, Sir Robert Borden. Then the ratification of those conventions stood through the whole period of Liberal government from 1921 to 1930, and it was the Bennett government that ratified those conventions. So the hon. member for Halifax will find the record fairly clear as to the extent to which the Conservative party has continued its interest in matters of this kind.

I would also point out that, in so far as these rights are concerned, it would be helpful if we all dealt with this on the basis of the record; and, with the friendliest emphasis, may I suggest to the Minister of Labour that in future, when dealing with the rights of labour in collective bargaining and matters of that kind, perhaps the position of Sir John Macdonald should not be forgotten.

Mr. Gregg: I was dealing only with the present century.

Mr. Drew: But I am afraid that the minister omitted to read out that reservation when he made his speech, because I was there. However, it is made, and we shall take it as an amendment that would have been very appropriate at the time. Mr. Chairman, the fact is that the wartime labour regulations that were adopted following the McTague report were a very satisfactory basis of labour legislation in this country. True, there were certain features which did not meet with unanimous approval, but on the whole they did find general approval.

May I recall one interesting incident in connection with the adoption or the passing of P. C. 1003 on February 17, 1944. As some of the hon. members know, I was in the Ontario legislature at that time and in the session of that spring we introduced legislation there which applied in toto P.C. 1003 to the industries in Ontario for the life of that order in council. I may say that, not only did Ontario adopt P.C. 1003; so did Nova Scotia, New Brunswick, Manitoba, Saskatchewan and British Columbia. Therefore over a large part of Canada there was uniform labour legislation by agreement, not by any arbitrary imposition of that legislation by this government, but by agreement and by the approval of the provinces of legislation which had come forward fully digested and carefully prepared as a result of this report that had been presented by Mr. Justice McTague. I should say, so that the record will be complete, that there were three members of that board; two signed a majority report and one signed a minority report which disagreed with the majority report in certain details.

Mr. Martin: Was Mr. J. L. Cohen one member?

Mr. Drew: Mr. J. L. Cohen.

Mr. Martin: And the third one?

Mr. Drew: Since the minister has mentioned it, I shall mention the other members. The majority report was presented by the Hon. Mr. Justice C. P. McTague and Mr. Leon Lalande. The minority report was signed by Mr. J. L. Cohen. That report followed a long and extensive inquiry during which the labour organizations, social organizations, individuals and organizations representing management, as well as individual representatives of management, had an opportunity to present their opinions and to discuss their views with the members of this board.

I have mentioned that today because I think we can all realize that the more generally certain basic principles become established, the more clearly will they become known to the public generally, and the more firmly will be built into our society that measure of continuing co-operation between management and labour and the representatives of all governments which will assure that type of industrial good will which should be the objective of every elected member of parliament and of the legislative bodies throughout this country.

This is not something in which those who have been engaged in the active ranks of organized labour alone have a direct interest. This is something in which every Canadian has an interest. The rights of organized labour, the recognition of unions, assured collective bargaining that is really free collective bargaining, as the basis of the advancement of relations within our industrial communities are things that are very much part and parcel of the good society we are trying to build. This is something which is just as much in the mind of one member as it is in that of another. In fact, it should be the desire of every member to see this type of legislation advanced to the highest degree in this country of ours.

It is with that thought in mind that I have risen to refer back to what happened in 1950 and to recall that the government resorted to compulsory arbitration at that time. I have emphasized the fact that on that occasion we pointed out to the government that this is an unsatisfactory principle that should not be adopted as a precedent. Since that time we have continued to urge another inquiry similar to that conducted in 1943 under the Hon. C. P. McTague.

I close these remarks with the earnest appeal to the government to end the shilly-shallying with regard to our labour legislation. We have continued to ask for a general revision of this legislation to bring it up to date in the interests of organized labour, management, our whole society and our economic strength which will depend so largely upon the good will and harmony which produces industrial efficiency and has a good deal to do with our ability to sell in the highly competitive markets of the world today.

Before concluding may I repeat my request, which I believe is a reasonable one. I ask for the appointment of a committee with the full powers of reference conferred upon the Hon. Mr. Justice McTague and his associates in 1943. I have no hesitation in saying that I would even hope that the government would again appoint Hon. C. P. McTague, who showed such great wisdom and judgment on that occasion. But whether it be Mr. McTague or someone else similarly qualified, with others representing management and labour and such others as the government may deem fit to sit upon such a board of inquiry and proceed as soon as possible to examine this whole situation, I ask that such a committee be again appointed.

The need for examination of our legislation and an up-to-date code which would appeal to all Canadians becomes more obvious as we see this great association of two major labour congresses in Canada which will bring together a large part of organized labour in this country. It will be to their advantage, and it will be to the advantage of management which has such a great responsibility not only for the welfare of organized labour but also for the strength of our trade, internal and external. It would be to the advantage of the whole economy if at this time we now could have a comprehensive review and report by a committee which would examine the whole subject and make recommendations upon which up-to-date, modern and progressive legislation could be introduced into this house at the next session of parliament.

Mr. McIvor: Mr. Chairman, I have just a brief word to say. I have listened attentively to the statement made by the Minister of Labour. I do not think it is fair for anybody to suggest that that statement was shilly-shallying. It shows splendid co-operation between the minister and all his workers and he paid his tribute to them.

Somebody said that there was not any bringing together of labour and management. I am going to give a concrete example in Fort William where the Minister of Labour, through his representative, brought labour and management together. In the strike of the elevator workers things were at a standstill when the Minister of Labour appointed

Mr. Taylor of Toronto, and it was not long until that strike was settled. I think this is a splendid example of how the Minister of Labour and his representatives can bring labour and management together.

I appreciated the suggestions made by the hon. member for Cape Breton South. He says some things that are good and some things that are maybe a bit better. But when he emphasized vocational training, as others have done, I think he was wise. He also said that perhaps the officials in the minister's office are not paid enough. I am going to speak of these two things.

With regard to vocational training, I have spoken before of the things that have been done in Fort William to help labour. This vocational training is something that is being practised in Fort William today. The board of education takes high school pupils out to the Canadian Car plant. They will take them down to the vessels and to the elevators. They will take them to the fire halls. Perhaps one of the last groups to place their case before the high school pupils was the engineers. It is a well known fact that today there are not enough engineers in Canada to fill the jobs available. Therefore the engineers took this opportunity of placing before the high school pupils this need. The high school pupils were taken to McKellar hospital to see the work that the doctors and the nurses are doing. They were told that there is a great demand for nurses. This is putting the thing into practice. What are the other cities of Canada doing to put across this vocational training program? I should like to know. I should like to hear somebody say what is being done. Do it first, even before you tell it.

The hon. member for Cape Breton South said that perhaps the officials were not paid enough. I know this is true. I know in our vocational training office in Fort William the employees are not paid a living wage. Perhaps I should not say that, but it is a fact. I know of the case of one young man with a wife and family. He ran into debt. There was not much hope for him, but he obtained some help some place. I do not think a young man should be obliged to work in any office without getting in that office at least the same pay as that received by those in the income tax office.

I have another matter I want to mention. In Fort William we now have a strike in progress at the Canadian Car plant. From reports in the papers, according to the mayor of Fort William attempts are being made to settle this thing as soon as possible. The minister of labour from Toronto is up there. I should like to see the Minister of Labour called on for his assistance. If that is done, I am convinced that soon management and the union will come together and the strike will be settled. I just pay my tribute to the minister, not because I sit close to him but because I admire the way he does his work, without bluster or noise and not very much advertising.

Mr. Knowles: The Minister of Labour has had quite a number of suggestions laid before him this afternoon, Mr. Chairman. It is my purpose to underline some of these suggestions and to add to the list. There are, indeed, a good many problems that require his attention and his study and I hope that action by him will be the result of that attention and that study.

However, before I go into the list of items I want to lay before the minister in one way or another, I must confess that when the Leader of the Opposition made his speech this afternoon it prompted me to send to the library for a certain volume of *Hansard* and also brought back to my mind certain facts of history. The Leader of the Opposition twitted my hon. friends across the way about what he called Liberal mythology. I have some Liberal mythology here which I shall come to when I get through with the Leader of the Opposition.

First, I want to talk about history, and this is not mythology. I come from Winnipeg. When a Winnipegger hears a Tory talking about the great love of the Conservative party for labour, he remembers 1919. He remembers a certain telegram that a gentleman by the name of Arthur Meighen sent to Winnipeg suggesting that certain people should be deported and that the legislation would be introduced afterwards. The volume of *Hansard* for which I sent to the library contains a record of what went on in the House of Commons on June 6, 1919. Sir Robert Borden, presented today as the friend of labour, was prime minister. I find that on that day the House of Commons was discussing a bill which had to do with government purchasing methods. As a matter of fact, Sir Robert Borden was speaking. The statement he was in the midst of making was broken off on page 3211 of *Hansard* for June 6, 1919, with a dash, whereupon he said:

> My colleague the Minister of Immigration tells me that there is a very important bill to which the attention of the house should be directed at once with a view to its being assented to this afternoon. I would therefore ask that this debate be adjourned to be resumed again this day, if the house will consent.
>
> Motion agreed to and debate adjourned.

I ask hon. members who are interested in history, and interested in what has gone on in this house in days gone by to get this

volume and just look at the four pages 3211, 3212, 3213, and 3214 of *Hansard* for June 6, 1919. Most of us know, because we sometimes measure the number of pages it takes to record our own speeches, that it takes about seven or eight pages of *Hansard* to cover 40 minutes in this house. This means that a page of *Hansard* is equivalent to about 5 or six minutes. I am asking members to consider what happened under a Conservative government as it was reported on less than four pages of *Hansard*. Now, members can do their own arithmetic, but that looks like 20 minutes or so, although it might have taken a few minutes more in view of the trip to the other place that was included in that period of time.

Starting near the bottom of the second column of page 3211, the house proceeded to give first reading to a bill to amend the Immigration Act for the purpose of deporting certain people from Winnipeg. On that page and on the next two pages, you will find that the bill was given first reading, second reading, considered in committee of the whole and given third reading and passed. What was the next item? Did they go back to this other business they had interrupted? No, a message was delivered by Colonel Ernest J. Chambers, Gentleman Usher of the Black Rod, and the house went over to the Senate where royal assent was given to a batch of bills, including the bill that had been put through that day.

Mr. Michener: With consent?

Mr. Knowles: Yes, the Liberals consented to it, and Mr. D. D. McKenzie was the Leader of the Opposition at the time.

Mr. Martin: What did Mr. McKenzie say?

Mr. Knowles: He did not say very much.

Mr. Martin: He did not say, "With consent"; the interjection was wholly unwarranted.

Mr. Knowles: Does the Minister of National Health and Welfare know what Mr. McKenzie said? I think the minister should get this book and read it before he interjects.

Mr. Martin: I have read it.

Mr. Knowles: Mr. McKenzie said:

> I have no desire to obstruct the minister but would he say in what form this legislation comes before the house?

There was no attempt to hold back the bill. It took unanimous consent to go through these three readings all in one day. There was connivance apparently, so far as the Liberals were concerned. But surely it is apparent that the real villain of the piece was the government of the day, the Conservative party, which put through that legislation in that fashion.

Mr. Martin: My hon. friend has said that so far as the Liberals were concerned there was a certain amount of connivance. There is nothing in the record that justifies that observation.

Mr. Brooks: You should have said that there is nothing in the record.

Mr. Knowles: The minister can speak for himself, but if an attempt were made while I was a member of the house to put through legislation of that kind, with all three readings in one day, and I did not object, I would take some measure of responsibility for it. Most members of this house know I certainly would object. My point is that when the Leader of the Opposition sets out to give the history of the Conservative party with respect to its attitude towards labour, I think he should include all the items and not overlook this one to which I have just referred. I might mention also the attitude that was taken by another Conservative government towards unemployed people during the period 1930-35.

I agree with the view expressed by the hon. member for Hamilton West and the Leader of the Opposition that there should be a review of the Industrial Relations and Disputes Investigation Act. I think the time has come for a further look at our labour legislation. But I suggest that Canadian labour is not going to be fooled by this interest in the academic side of the labour problem, particularly when spokesmen for the Tory party make two speeches this afternoon without making any reference to the really important issues that are of concern to labour today such as the guaranteed annual wage. If the Tory party wants to address itself to Canadian labour, I suggest it should deal less with the history of the past, less with academic matters, and should concern itself more with the issues that are of concern to the working people of this country today.

As I indicated when I rose to my feet, I wish to underline some of the problems which have already been laid on the minister's desk and I wish to urge that he give them very serious study. He has under him a number of boards and commissions and officials who are well qualified to help him with this study, well qualified to do some of it for him. In the final analysis any decisions as to policy would have to be taken by the minister in conjunction with his cabinet colleagues. But meantime I urge that he seek the advice of his

officials and the members of the various boards and commissions which come under his direction, in the hope that some real headway might be made in dealing with some of these problems.

As has been already indicated, one of the most serious problems on his desk is that of unemployment or, to put it in other words, the necessity of achieving full employment in this country. I agree with those who say that this is not a problem solely for the consideration of the Minister of Labour. It is a problem for the consideration of the entire cabinet. But it does seem to me that it is the particular job of the Minister of Labour to bring before the cabinet as a whole the urgent need for full employment; and it is also his job to bring to the cabinet suggestions as to ways and means by which full employment might be achieved.

One of the suggestions we have made from this corner a number of times was made again today by my colleague the hon. member for Cape Breton South, namely the institution of the guaranteed annual wage. We were interested in the valuable speech made on this question some weeks ago by a member on the government side of the house, the hon. member for Spadina (Mr. Croll). His suggestion was that the time had definitely come when the Minister of Labour should make a very thorough study of this question with a view to making a start on the guaranteed annual wage in some sector of the Canadian economy at an early date.

Since this suggestion came from one of the members sitting behind the minister, I was disappointed that he did not see fit to deal with this question when introducing his estimates today. However in that regard he did no worse than the hon. member for Hamilton West or the Leader of the Opposition. I would remind all three of these hon. members that this has become a most important issue, so far as the workers in this country are concerned. I remind Liberals and all other members in the house that the idea is certainly growing in Canada—and it is right that it should—that workers have just as many rights as business, industry, capital and all the other factors that make up our economy.

I said I was going to go along with the Leader of the Opposition by making some references to Liberal lore. I have in my hand an interesting book which I shall identify in a moment or two, and from which I shall read a paragraph or two. A certain gentleman was making a speech in support of a certain resolution, and this was what he said:

> Not only does the resolution recognize that the labour problem is a world problem; it recognizes also that the labour problem is a human problem. The resolution is based on the assumption that human personality is more important than any considerations of property.

I could not agree more. But to say that human personality is important, and to leave it only as a matter of words, is not good enough. I go on with the quotation where, referring to the resolution, he said:

> It is founded on the belief that ethical and human considerations ought to stand above considerations which are purely business or material. It is an expression of the belief that industry exists for the sake of humanity, not humanity for the sake of industry.

I am sure some hon. members will now know the author of these words, although they do not come from a certain book to which hon. members might think they could trace them. Rather I am quoting from a speech delivered at the last national Liberal convention but one—the convention held in Ottawa in 1919. This speech was made by Mr. Mackenzie King who, on that occasion, was proposing to the convention a resolution on labour and industry.

In support of the resolution he went on to ask some rhetorical questions as to what was in the minds of those who had come back from overseas; and in that connection he said this:

> They have interpreted the unrest of the world today in words the workman himself is using; they are saying that "man does not live by bread alone", that while wages may be one thing, wages in themselves are not enough. It is not enough to have work one day and unemployment the next.

Mr. King said that in 1919. It is true today; in fact under today's conditions it is even more staggering a blow for people to have to go through periods of unemployment and insecurity, be they short or long.

Mr. King went on to say:

> It is not enough to have work one day and unemployment the next; to have work at one time and then, when sick, to be helpless in the matter of meeting the great problems of invalidity, of dependence and the like, where these things arise through the organization of industry as it is, rather than through the fault of the workers themselves.
>
> So taking the resolution as it is drafted, the purpose as I have said is to recognize that as between the different provinces and the dominion we must endeavour to co-operate in working out a new industrial order, whereby, for the multitudes of men and women who spend their lives in industry, there may be a greater measure of economic and social freedom, and a larger measure of social justice.

Mr. Chairman, our contention today is that those words uttered by Mr. King in 1919, and others like them, should be put into something real and concrete in the form of full employment and a guaranteed annual wage, together with some other points which I shall mention in a moment.

But since I have quoted from what Mr. King said when he was proposing the resolution on labour and industry at the last national Liberal convention, but one, I would invite hon. members to look at Mr. King's speech and at the resolution itself. The resolution is found at pages 204 and 205 of the book put out following the convention. It is a lengthy resolution, but I would note just in passing—and I call this to the attention of the Minister of Labour; and perhaps the hon. member for Hamilton West will be interested in it, too—that one of the points laid down in that resolution 36 years ago was the principle that men and women should receive equal remuneration for work of equal value.

Mrs. Fairclough: How long ago was that?

Mr. Knowles: Just 36 years ago; don't ask the Liberals to do anything in a rush. They don't do things overnight. This, of course, was also the same resolution in which it was proposed—and remember that this was under the heading of labour and industry, so that, as Mr. King put it, workers might enjoy a greater measure of economic and social freedom and a larger measure of social justice—this was the resolution which included such things as an adequate system of insurance against unemployment. Note that it refers not just to unemployment insurance, with capital letters, but to "insurance against unemployment". Mr. King was referring to insecurity from any conditions which were beyond the control of the workers themselves.

It also called for insurance against sickness, dependence in old age, and other disability. It called for old age pensions, widows' pensions, and maternity benefits which should be instituted by the federal government in conjunction with the governments of the several provinces. And so on, and so on. As I say, it is a lengthy resolution. But my point is that it was long ago laid down—and we believe that the Canadian people agree with it completely—that human personality should come ahead of considerations of property, and that it is the job of government, supposedly of the people, to plan our economy so that instead of unemployment and periods of sickness without income, instead of insecurity, there will be full employment and something of the order of a guaranteed annual wage.

I call upon the minister to give more active and more vigorous study to the question of full employment than in fact has yet been done. I call upon him before these estimates are passed to tell us what studies he has given to the question of the guaranteed annual wage.

[Mr. Knowles.]

Mr. Macdonnell: Will the hon. member permit a question? I have followed his advice and sent for the volume of *Hansard* and I now wish to ask him a question regarding it, if he will permit me.

Mr. Knowles: Certainly.

Mr. Macdonnell: The hon. member did not recall to our minds the situation which existed in Winnipeg at that time, such as I think has never existed in this country before or since, when law and order were threatened in a way they have never been threatened before or since. The hon. member greatly emphasized the fact that legislation was passed in this house in short order. It was passed by responsible people. He will agree with that. I should like to read briefly the legislation that was passed—

Mr. Winch: What is the question?

Mr. Macdonnell: —and ask the hon. member whether he agrees that this legislation, which was directed against what we now call communists, was justified or not in the circumstances. I shall read briefly from page 3212 of *Hansard* of 1919.

Mr. Knowles: I have no objection to this so long as it does not come off my 40 minutes.

Mr. Macdonnell: I read:

> Section fifteen of the act to amend the Immigration Act passed at the present session of parliament is repealed, and the following is substituted therefor:
>
> "41 (1) Every person who by word or act in Canada seeks to overthrow by force or violence the government of or constituted law and authority in the United Kingdom of Great Britain and Ireland or of Canada, or of any of the provinces of Canada, or the government of any other of His Majesty's dominions, colonies, possessions or dependencies . . ."

And then, later on:

> —or by word or act, creates or attempts to create any riot or public disorder in Canada, or who without lawful authority assumes any powers of government in Canada—

I just want to ask the hon. member whether, in view of the situation which existed, he considers that legislation which included words of that kind was unreasonable legislation at the time and whether he feels it necessary to be so critical of responsible men who, in the circumstances of the moment, and with the danger which faced them, thought it reasonable to pass legislation quickly at that time.

The Chairman: Order. For fear that the hon. member for Winnipeg North Centre should attempt to answer in as many words as the question was put, I would ask the committee whether they consider an extended discussion on what after all is an amendment

to the Immigration Act which was passed 36 years ago is strictly relevant at this time?

Mr. Knowles: Mr. Chairman, I think I can answer both you and the hon. member for Greenwood at the same time. Although what was under discussion formally at that time was a bill to amend the Immigration Act, it was directed against certain labour leaders in the city of Winnipeg. Those labour leaders included persons like John Queen, William Ivens, A. A. Heaps, George Armstrong and J. S. Woodsworth, as well as others whose names stand high in the history of my city. So far as the question about responsible gentlemen is concerned, I stake my claim that this was irresponsible legislation on the fact that in due course these people were elected to responsible positions by the people of Winnipeg. History has given its verdict against what was done here on June 6, 1919.

I suggest to the hon. member for Greenwood that even if, which I do not admit, he could make a case for the legislation having any validity at all, surely his own respect for the rule of law and for parliamentary procedure cannot permit him to condone what was done on that occasion. Instructions were sent by wire to Winnipeg with the advice that legislation would be passed afterwards, and parliament overrode all its normal rules of procedure to put that legislation through both houses in one day.

The hon. member for Winnipeg South is asking a question that would take me off into another debate that you, Mr. Chairman, might not like. I suggest that he can pick up the debate on the Criminal Code of a year or two ago, and he will see where I dealt with this whole question much more fully than I should on this occasion.

Hon. members are aware that the reason I raised this very dark chapter in Canadian history was the incompleteness of the report on his party's attitude toward labour that was made by the leader of the Progressive Conservative party.

To get back to the list that I had when I started, I urge the Minister of Labour to give serious attention to two or three other matters which are of real concern to working people of this country. One of them relates in part to the Unemployment Insurance Act. Because it can be discussed under that act I shall mention it only very briefly here. He knows what it is because he heard the questions that I asked the delegates from both labour congresses at the committee meeting this morning. I feel very strongly that the time has come, and labour feels this way, too, that the Unemployment Insurance Act should be amended so as to provide for unemployment insurance benefits to include what is sometimes known as a sickness benefit. If I may go back to Mr. King in 1919, it is just as serious to be unemployed and without income because of illness as it is to be without income because there is no job.

The minister heard the delegates from the labour congresses say this morning that labour would be willing to pay its share of the extra cost to provide that kind of coverage. I am awfully disappointed that the proposed amendments to the Unemployment Insurance Act which are before us do not include an extension of this kind. I urge him to study this matter thoroughly and vigorously. If it means that he must have discussions with his colleague, the Minister of National Health and Welfare, I am sure that colleague is always available for discussion and for help and advice. He told me earlier today that he always boosts good causes. Here is one to which he can give a real boost. I dislike the statement that was quoted to us, but this is one that I know is correct, because I have heard it from the Prime Minister, namely that the Prime Minister has told at least one of the labour congresses that sickness benefits included in unemployment insurance might be regarded as a case of bringing in health insurance through the back door, and that could not be done without an amendment to the constitution.

I admit that a sickness benefit could be one aspect of health insurance. If so, and if a constitutional amendment is necessary for health insurance, then that argument has validity. But I would point out also that sickness benefits for workers under the Unemployment Insurance Act could be regarded as a form of unemployment insurance.

When the Liberals met in 1919 they did not talk about unemployment insurance; they talked about insurance against unemployment. Mr. King presented the resolution and said that so far as the workers were concerned loss of income because of illness is just as serious as loss of income from any other cause. I suggest that a constitutional amendment is not necessary to include sickness benefits in the Unemployment Insurance Act. It would be part of the Unemployment Insurance Act and would be a step forward in giving the type of coverage which I think all Canadians should have. Here is an opportunity for the Minister of Labour to give real leadership in connection with a very important social advance that is needed in this country.

Again I suggest that the minister study this matter with the officials of his department,

with the unemployment insurance commission and with all others who have material on it and I hope he will come up with something of this nature at the very earliest possible date.

I wish also to urge the minister to study the question of the mobility of pension rights. I think he is in a particularly strong position to study this question, for two reasons. First, he is the Minister of Labour and is concerned with collective agreements and all conditions involved in labour arrangements in this country. He is also the minister who has charge of the Government Annuities Act so that he has experience which could be brought to bear on this other question.

I need not go into it in detail as the minister knows from the discussions we have tried to precipitate in this house before just how we feel. Some of us feel that one of the things needed for labour at the present time is the right for a worker to move from one employment to another and carry with him his pension rights. Many a worker is frozen in his job even though he may be able to get a better one because he cannot afford to lose his pension rights. On the other hand many industries fail to take in employees over a certain age because of the pension rights problem.

I do not want the minister to say that this is exclusively a problem for the Minister of National Health and Welfare or the Minister of Finance. They should be involved in it also, but this is a problem which is on the desk of the minister. It is an extremely important one and I urge him to give it active consideration.

Mr. Philpott: I know the hon. member would not want to leave a false impression by the statement he made today about the attitude of the different parties toward the emergency legislation at the time of the Winnipeg strike. I am rather surprised that the hon. member did not make reference to the speech made by the hon. member for Quebec South, who made one of the finest speeches of his career in defence of the Winnipeg strikers.

Mr. Knowles: Mr. Chairman, despite your attempt to keep me away from the 1919 strike my friends on all sides seem to want to keep coming back to it. I am pleased to note their interest, and I have no objection to the interjection made by the hon. member for Vancouver South. It is good to know that there was one Liberal with a capital "L" who had a little small "l" liberalism in his soul at that time, and I believe that hon. gentleman, the member for Quebec South (Mr. Power), still has.

[Mr. Knowles.]

If I can get back again to my list I want to say a word about a question which did get mentioned by the hon. member for Hamilton West and by the Leader of the Opposition, namely the procedures involved in the event of a labour dispute. Those two hon. members referred to what happened in 1950, all of which is a matter of record and familiar to most of us. I do not intend to go into that, but I would remind the minister that on January 11 of this year, as recorded on page 64 of *Hansard*, I asked this question:

> Mr. Speaker, I wish to direct a question to the Minister of Labour. Has the minister been made aware of the concern felt by the railway workers of Canada over the loss of their right to strike? Is the government taking steps either to assure these workers that they still have that right or to establish a satisfactory alternative?

Perhaps I had better be fair to the minister and read his answer in full, which was as follows:

> This question, I think, divides itself into two parts. In the first place the Minister of Labour has been made aware of the concern which would be felt by the non-operating unions of the railways in the event they were deprived of the right to strike. In the second place I am sure my hon. friend has noted that the general conference committee of the non-operating unions of the railways have been meeting in Montreal recently and are discussing questions directly related to the second part of his question. In due course the Minister of Labour would expect to be told about the conclusions reached at these discussions and I do not think that in the meantime the Minister of Labour should anticipate these reports.

That was on January 11; it is now May 19. I hope that during the discussion of these estimates the minister will bring us up to date on that question. It is a question about which I could speak at some length, but I am going to boil it down by reading a few sentences from the minutes of a railway union meeting held in Vancouver in the early part of this year. I do so because the sentences which I shall read express my own views and seem to me to deal most cogently with the matter. I would point out that these are the views of railway workers who might be inclined to be prejudiced to their side of the case and therefore hon. members should note the fairness and objectivity of this approach, particularly as indicated in the last sentence which I shall read. First of all, I note in these minutes this statement:

> A lengthy and representative discussion in which all delegates participated was summarized by the chairman who pointed out that the glory of the English law was its predictability. Men and organizations could determine in advance whether a proposed activity was legal and within the law, or otherwise.

There then followed some discussion as to what happened in the matter of the strike

which almost broke out in 1954, but for the threat made by the Prime Minister, and then I read this:

> For a government to stand idly by during a long and protracted period of negotiation and fruitless arbitration and then suddenly intervene with the purpose of changing the law in order to deny its protection to one side in a dispute is the ultimate in caprice and despotism, in no manner different from the unpredictability of the law in ancient and modern dictatorships. As a very learned Englishman once pointed out: A despotic prime minister and a rubber-stamp parliament do not add up to a democracy. Other countries when confronted with a similar situation still find it possible to intervene in the public interest—

Note that "still find it possible to intervene in the public interest".

> —without threatening the destruction of the freedoms of common people. They do so by taking over and administering a threatened and essential industry until the disputants themselves reach an accord.

I wanted to read those sentences because it seems to me that they do two things. They point out how strongly the railway workers feel about what happened in 1954 when they felt that their right to strike was taken away from them. The other thing that those sentences do is to point out that these same railway workers put forward at least one alternative suggestion. It is in that spirit that I lay this problem before the minister as I thought I did by my question on the orders of the day on January 11 of this year.

I feel most strongly that the right to strike must not be set aside unless some more satisfactory way of dealing with labour disputes can be found. Any other way would have to be satisfactory to all concerned. I call upon the minister to give more serious attention to this question and I ask him to deal with it during the course of the discussion on these estimates.

There were other matters on my list but I think I have given the minister enough for now. If he solves these problems, then I will give him the others.

Mr. Starr: Since it is about seven minutes to six, I wonder whether I can call it six o'clock. If not, I am prepared to carry on till six.

The Chairman: Is it agreed that I call it six o'clock?

Some hon. Members: No.

The Chairman: There does not appear to be unanimous consent.

Mr. Starr: Thank you, Mr. Chairman. The estimates of the labour department as presented here today and as they have been presented in past parliaments give members of this house an opportunity to bring to the attention of the Minister of Labour certain things that they feel should be corrected and certain things that they feel should be injected into the labour code in order to improve the working conditions of the labouring force of this country. At this moment I should like to deviate from the severe criticism of the Minister of Labour and inject a pleasant tone by saying to him how much I have appreciated his co-operation on the many matters I have brought to his attention and the expeditiousness with which he dealt with those matters, entirely to my satisfaction and to the satisfaction of those who were very much concerned.

During the past year we have been faced with a great deal of unemployment in Canada, more so probably than in any other year for a number of years. I had the opportunity to express my viewpoints on that problem in Canada, and it is regrettable that the government did not see fit to endeavour to remedy that situation. As a result, unemployment has not decreased to any extent, but has increased. Certainly, if not throughout Canada generally, it has worsened in various parts of this country. I feel that the Department of Labour and this government should make strenuous efforts to alleviate the present condition of those who find themselves unemployed.

There is a particular subject that I should like to bring to the attention of the minister. I suggest that he ascertain whether his department can institute some laws to rectify a situation where management in certain instances in Canada, in requisitioning labour from the national employment offices, makes very stringent requests as to the type of employees it is willing to take on its payrolls. I feel that this stringent type of requisition discriminates against a great many of our people. In certain industries at the present time a person who is over 35 years of age cannot obtain a job. If he weighs less than 160 pounds, he is not wanted in that industry. If he is less than five feet 10½ inches tall, he is not employed for that particular reason. Some of these requirements also apply to the female help in these particular industries; they must be at least five feet four inches tall in their stocking feet.

It is no fault of anyone that they happen to be born of short stature or that they are over 35 years of age. There are a great many Canadians who at the age of 55 are very capable workers and are able to perform their labours very satisfactorily; and they are of mature age, so that they probably carry out their duties in a more comprehensive manner. The weight requirement is one that seems to be very strongly urged, and I see no particular reason why a man weighing less

than 160 pounds is not able to do certain jobs. Nevertheless, it is a fact that industries are discriminating in some instances, because of their requirements in the categories of height, weight and stature.

If at all possible some labour law should be implemented whereby the provinces could model regulations after this law, in order to bring about a discontinuance of this type of discrimination. The result is that those who have established themselves in particular municipalities where this industry is functioning, and have purchased homes and raised families, find that they are unable to secure employment. Certainly they cannot dislocate themselves from their communities and families and go elsewhere looking for jobs. On the other hand, this type of industry is requisitioning labour from other parts of Canada, thereby creating a situation that is worsening the present problem of the municipalities in regard to the provision of homes and every other facility required. At the same time those people who are residents and already established in those municipalities cannot secure employment.

I notice that in the estimates there is a substantial decrease over the estimates of the previous year—over $3 million. Of course, the two main items are under unemployment insurance. I am quite satisfied with this decrease, as we have urged time and time again that spending should be cut, but I am a little worried about the decrease in vocational training, and I hope that every consideration has been given in regard to this decrease so that the work of that particularly worth-while department is not hampered in any way.

An hon. Member: Six o'clock.

Mr. Starr: Mr. Chairman, I shall only take five more minutes.

An hon. Member: Let him go ahead.

Mr. Starr: I also suggest to the Minister of Labour an amendment to the B.N.A. Act which will make the provisions of the Industrial Relations and Disputes Investigation Act applicable in all provinces of Canada be considered and be instituted. As the leader of the official opposition has said this afternoon, our labour laws are antiquated. I feel that as soon as possible the government should consider the revision of all labour laws. This should be done in co-operation with management, labour unions, and the government, all of them sitting down and exchanging their ideas on what would be best for the working men and women of this country. The aim of the labour department should be one of providing steady work and steady pay all the year round. Of course, the co-operation in this respect should come as a result of labour and management working together towards that end. But the important thing is that the government should institute economic policies which would ensure steady work and steady pay. I feel that the government should reconsider its economic policy with a view to stimulating industrial expansion and a reduction of cyclical unemployment. Everyone is satisfied that much of the recurring unemployment, which brings suffering and hardship to our people as well as substantial losses in production, is not all attributable to seasonal climatic factors. With this in mind I urge the government to take vigorous action to remedy the situation and to aid through scientific and financial means the development of new processes and new industries which will tend to maintain high levels of employment and production throughout the entire year.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Diefenbaker: Mr. Chairman, this item gives the opportunity for a reference to several matters of importance of this kind. The situation in which labour finds itself is one that is challenging to the imagination and one that demands the utmost courage in the administration of those things that require to be done in order to maintain employment. The degree to which Canadian labour is mobile today and to which our population in general is mobile is indicated by the statistics given recently by Gilbert Jackson and his associates, to the effect that 50 per cent of Canadians change their addresses between each ten-years' census, that 18 per cent move to another address within their province and that 9 per cent move to another province. Indeed, the vast magnitude of the problem is indicated by the fact that of the civilian labour force of 5½ million persons 3·3 million dropped out of that labour force in 1954 and 3·4 million entered it. In other words, it is a changing scene in the field of labour relations.

This afternoon, as I listened to my friend the hon. member for Cape Breton South referring to the dangers of automation, I thought he but repeated the age-old fear that has always been with man since the beginnings of the industrial revolution; in each generation, as inventiveness makes possible a greater production through the medium of mechanization, man fears the

change for many people believe it brings about continuing and extensive unemployment.

In our own time we have had experience with the vast changes that have taken place in the production of plastics. As machinery has developed and national production has increased, further and more extensive fields of production have been opened and vistas of employment have resulted that could never have been anticipated otherwise. Indeed, in an examination made by the Brookings Institution some time ago, it was estimated that by the year 1980 the average weekly hours of work will be down to 30 but that the gross national production will have been increased during that period in the United States by some 65 per cent.

While each generation fears that mechanization will reduce employment, each generation in succession has found that while mechanization has expanded to a degree beyond the belief of anyone of even 50 years ago, nonetheless employment has been extending by the extending field of other production. I think it was Professor Wener of Harvard University who recently made the prediction—and he is an authority with a world-wide reputation—that by 1980 there will be few factories with 100 employees and less, and that by that time one person pushing a button will have taken the place of 100 employees in the present state of mechanization. On the other hand, he predicts that in the extending field, as man's standard of living under private enterprise expands, the extent of employment will be maintained at a reasonably high level.

I should like the minister to have dealt somewhat more extensively with the unemployment situation, even though it was dealt with recently at length. What are the figures today? What have been the results in the last three or four weeks? All of us know that there has been a reduction in the actual amount of unemployment but is that reduction not slower than it was last year and vastly slower than it was at the same period in 1953 and in 1952? What is our economic position? Are the departments of government operating each in a closed section peculiar to itself? I ask that question because some reference was made to it by my friend the hon. member for Hamilton West in what I thought was one of the best speeches that she has made, if not the best, since taking over the responsibility of speaking on behalf of this party on labour problems. She covered the situation thoroughly and dispassionately but with a realism that is often absent in the discussion of a problem which permits of an emotional impulse such as does that of unemployment.

What about this advisory council on manpower? My hon. friend the minister was kind enough today to give me a list of the officers and members of this council. It is one that is made up of outstanding men and women. The joint chairmen are R. B. Bryce, secretary of the privy council, and A. H. Brown, deputy minister of labour. Labour is represented by Percy Bengough, formerly president of the Trades and Labour Congress of Canada; Donald MacDonald, secretary treasurer of the Canadian Congress of Labour; Gerard Picard, Canadian and Catholic Confederation of Labour, and J. B. Ward, Railway Brotherhoods and joint legislation committee; the employers by outstanding industrialists such as Hugh A. Crombie, Philip Gruchy, William Mainwaring and Allen Ross; the women by representatives of the National Council of Women, Mrs. Allen Turner Bone and Mrs. Flora D. Jutras; the veterans by Colonel Baker of the National Council of Veterans Association and Mr. Kennedy of the dominion command of the Canadian Legion; industry by the president of the Canadian Industrial Preparedness Association, Mr. McRea; and the president of the Canadian Metal Mining Association, Mr. Fraser.

These people operate or were intended to operate in co-operation with the representatives of the departments of national defence, labour, agriculture and other departments of government in which manpower plays a large part. But at a time when unemployment is rising, why does this council not meet? What is it? Is it window dressing or decoration, outstanding names without the use of their ability and capacity? What is the explanation? At a time like this, when a council such as that with its vast experience should be utilized for the benefit of the Canadian people, why is it kept in cold storage? I should like the minister to answer that when he replies. What is the manpower situation in Canada? Surely, there must be some body that brings together the statistics on immigration, agriculture, the labour force and the like. Yet we have never been able to secure any authoritative statistics on the subject.

Even on the question of unemployment the government cannot agree with itself. One department says there are 630,000 unemployed up to April, and another department says 390,000. The minister has a revised version that does not even equal the lower figure of the two. Surely, there must be some body that would bring together in proper relationship the manpower situation in our country.

Mr. Gregg: May I ask the hon. member a question? To what does he refer as the "revised version"?

Mr. Diefenbaker: I have never been able to get an exact figure from the minister. The figure he gave was much lower than the figures given by the unemployment division and by the bureau of statistics. Is the minister now prepared to give us what the revised version is?

Mr. Gregg: I am prepared to say that I have never given any version lower than that of the dominion bureau of statistics figure.

Mr. Diefenbaker: In any event, the minister did not accept the higher figure that was given by one department of government. I have never heard from his lips an authoritative statement as to what the proper statistic was in reference to unemployment.

I should like to ask him this. Is it not a fact that his department has been looking into the question of a national registration for Canadians in order to determine the manpower of this country, and in order to determine the degree to which immigration either increases or decreases job opportunities, as is contended in certain circles? What happened to this national registration episode of a few months ago? Is it not a fact that the government had a plan at that time? Did the plan not actually go forward to the extent that the entire machinery for the registration of manpower was built up, including the printing of the necessary registration forms and certificates? What was the purpose? Does the government have any intention of proceeding with the plan which the officials of his department were engaged upon for so long in the preparatory work? Does the minister consider today that national registration is necessary in order to determine the degree to which manpower is available in industry, in agriculture and in general for the economic development of our country, as well as for defence production and the like? Will the minister place before the house and the country the general plan that his department had in mind in the preparation of this comprehensive system?

Is it because of the fact that this council recommended the national registration that it has not been used or its prestige drawn upon since November, 1953? These are questions that the Canadian people would like to have answered. Certainly, the degree to which chaos is present in labour matters in this country indicates that the Department of Labour lacks direction, lacks system and lacks, not authority but direction. I ask the minister when he replies to state what has been done in this regard and what was the reason for the preparations for a national registration. Has it since been decided to discontinue the plan? When was that decision made and why?

Having asked the minister that, I pass on to one particular field of unemployment that has aroused a great deal of ill feeling, and properly so, amongst Canadian National Railways employees in this country. To what degree does the Department of Labour co-operate with Canadian National Railways in order to assure that the men who find themselves out of work are offered alternative opportunities of jobs? Recently I was in Nova Scotia for that great event when the first train crossed the causeway and Canada became annexed to Cape Breton. As a result of this accomplishment, a considerable number of Canadian National Railways employees find themselves out of work. What is the plan, and what is the attitude to be? What is the degree to which the Department of Transport co-operates with the Department of Labour in connection with this very important problem? Certainly, so far as Canadian National Railways employees are concerned, they strongly resent being pushed around as they are today. They believe, and I think properly, that there have been too many men without actual railway experience promoted to high positions. This has caused deterioration in their morale, and that is understandable when they see promoted to high positions men whose experience in the railway world is either little or non-existent. I ask the minister: To what degree is there co-operation, or is each of these departments—transport, agriculture and defence production—a closed compartment operating on its own?

There is one means of providing many jobs across this country, a means which would require an attitude of co-operation between the Department of Transport and the Department of Labour, and I go to the province of Saskatchewan for a moment for an example. The same situation prevails in the maritimes today. The people find themselves in a position where, as a result of a lack of power, they are unable to have the industry to which they are entitled. This incontrovertible fact applies equally to the western provinces, particularly Saskatchewan.

During the days of the expansion of our defence facilities there was a tremendous centralization in the central provinces. Today as a result of the development of atomic energy we expect that by 1963 power can be produced for civil purposes by atomic energy at a price comparable to the present production by coal. Within the next 10 years there

is a possibility that atomic power will be produced at a price comparable to the cost of producing hydroelectric power today under the best circumstances. Is there any co-operation between departments of government to that end? With the resources in the maritime provinces, is there any reason why an atomic energy pilot plant to produce power for civil purposes should have been set up in the central provinces rather than in the maritimes or in western Canada?

One of the major responsibilities of government today in maintaining employment will be the degree of co-operation between those in charge of atomic energy and those in industry. What we have to do today, above everything else as I see it, is to decentralize our industry and to give to the have-not provinces the opportunity to have atomic energy for civil development, and thereby bring about an economic situation in Canada in the near future where atomic energy will be put in overalls for the benefit of the Canadian people. That is one thing, in the great over-all plan, which I believe should be evolved in order to ensure jobs and employment in all parts of the country.

Secondly, there is the question of discrimination in freight rates. That is a matter that is holding back employment in various parts of our country. While I do not have the latest figures before me, I do know that, strangely enough, in Saskatchewan, with a socialist government in power, we have there a higher degree of unemployment—or have had during the months of January, February and March—than in any other part of this country. And when my hon. friends of the C.C.F. tell me that only their hearts are moved for the man who works, I ask them to go to the province of Saskatchewan and see what has happened there on more than one occasion.

Mr. Stewart (Winnipeg North): Put down the figures.

Mr. Diefenbaker: My hon. friend is aroused. I say to him that I gave the figures only a few days ago and I do not like to offer repetitious argument by placing the same statistics on the record day after day. I gave them the other day. Once they are on *Hansard*, then they are on *Hansard*, and can be read. And if my hon. friend cares to look back to a time about three or four weeks ago he will find that I set out in detail the comparable figures from Saskatchewan.

Indeed, when I listen to my hon. friends assuming the garb of piety, I ask myself why was it that, in some of the government industries operated in Saskatchewan by the government of that province, as soon as the profits went down and the losses rose the man who worked for the government was immediately put out of work and put on unemployment insurance, or arrived there ultimately.

Mr. Pouliot: Shame.

Mr. Diefenbaker: That is what happened there. I dislike mentioning this, but I think the record should be clear in that regard, that by whatever organization a business is operated, whether by a state or by private enterprise, it operates to maintain jobs only when there is a profit return. And there are no jobs in losses, no matter whether the operation is government owned or privately owned.

I mention Saskatchewan—and this example could apply to other parts of Canada—because we have vast pulp resources in northern Saskatchewan. A very large concern has been desirous of opening a pulp and paper mill in northern Saskatchewan capable of employing a very large number of men. Yet that pulp and paper mill finds itself in a position where it cannot do so. Power is available; the market is available; but the freight rates, discriminatory as they are, deny the opening of that industry.

In that connection I am going to make one or two quotations, because I have a suggestion to make to the minister in connection with the manpower council. These are the representations made to the Prince Albert chamber of commerce on this matter, and what is said here would be applicable to all parts of our country that are subject to the discrimination that freight rates schedules impose on those parts of the country that should be developed. The presentation I have here states that the Prince Albert chamber of commerce are . . .

> . . . seriously concerned about the present stalemate in the negotiations for a freight rate schedule that would make the operation of such a plant economically feasible . . .
>
> Establishment of a pulp and paper mill in the area would not only provide permanent employment for several hundred people but would provide additional employment for woods operations during the winter season, such employment coming at that season of the year when the unemployment peak in Saskatchewan is at its highest level.

Then it goes on to mention a matter in the minds of people generally across Canada, as we export employment in the form of our raw materials processed in another country and irreplaceable here. Then it goes on to say:

> Canada has already attained the reputation of being an exporting nation of her raw materials rather than an exporter of the finished product. Many thousands of cords of pulpwood are exported

annually from Saskatchewan to mills in the United States because facilities for processing are not available in this province.

The same argument applies in the maritime provinces where exactly the same situation exists in the matter of freight rates. The brief continues:

We contend that a long range view of the whole matter must be taken into account.

It goes on to point out that the development of the natural resources in our country should be on an equal basis in all parts of the country.

Then there is this singular circumstance in regard to the freight rates schedule:

Another point that appears to us very inconsistent is that the freight rate—

That is, the rate from Prince Albert.

—to Chicago is $16.56 per ton while Winnipeg, an intermediate point and approximately one-third of the total distance, is $26.40 per ton.

Now, the effect of that is simply this, that it is better, it is cheaper and it is more economical to ship Canadian pulp into the United States to be manufactured there. It is $10 a ton cheaper to do it that way than to ship it to Winnipeg, which is only one-third of the distance, as compared with the distance to the American market.

The brief continues:

Surely the railways cannot justify this variation on the basis of per mile haulage costs . . .

We are of the opinion therefore that the Canadian National Railways, as a national railway, should be prepared to assume a share of the risk and make its contribution in a venture that will contribute materially to the development of the country and the establishment of secondary industries to manufacture our products.

I ask the minister this: To what degree are there negotiations between his department and the Department of Transport to encourage production in Canada, fabrication in Canada and processing in Canada of resources such as these which, at the present time, are produced here, and shipped over to the United States which, as I said before, is a process of shipping employment to the United States at the expense of the Canadian workers?

I ask the minister this: Will he outline in general something of the comprehensive picture, something by way of a general plan that operates in the minds of the government today to meet this problem, one that is so serious to those who are unemployed and so serious to the future development of this country?

These are but one or two matters that I thought might be of some interest, and upon which the minister, with his wide knowledge of his department and of the plans that his department is making to meet this situation, would be able to comment to the committee and to the country. These are some of the things that, in my opinion, deserve attention. I ask the minister these questions once more, and I ask them in order. Why has this manpower council been laid aside? What was the reason for the work done by the Department of Labour on a national registration plan? Is it intended to launch such a plan? If it is not, how much was spent on the proposition before the decision was made to discontinue any further consideration of national registration to meet the competing claims of industry, of defence production and of agriculture and all the other claims upon the manpower of our country?

Finally, to what degree is there a relationship between his department and that of the departments of agriculture, transport and the like, to the end that in a community of council employment may be secured for many who are unemployed today?

Mr. MacDougall: Mr. Chairman, I positively am going to speak on a subject which a great number of members of this house and of the previous parliament would consider a little boring. However, I do wish to speak about the problem of the older workers. On three occasions in the last parliament I dealt with this. I want to deal with it tonight because, in my opinion and in the opinion of a great number of men and women in my riding, there is discrimination against men and women who have over the years gained much experience and know-how and have the ability to stick to jobs if or when the jobs are available to them.

I hold in my hand a resolution that was passed by 600 people in my riding, asking that I again bring this matter to the attention of parliament. I have a great deal of pleasure in doing that because I feel it is of great importance. I might say to my good friend from Prince Albert, who has just taken his seat, that there possibly is much more to be told about potential freight rates in Canada than has been told up to the present time.

Before I go on to say what I intend to say I should like to tell a factual story. I think it will throw a great deal of light on what will affect the trade policies of Canada in the years that lie immediately ahead. As hon. members know, we have passed a most favoured nations trade treaty with Japan. We recognize that in doing so we have brought about friendly relations with that oriental power, but the cost of production in that country is so extremely low that one of these days we shall have to meet it whether we like it or not.

The story I am going to relate has to do with a shipment of logs that were cut from

trees on Vancouver island. They were shipped to Japan for processing. They were shipped back to British Columbia and landed in Vancouver for transshipment to Montreal. A question arose with respect to the Japanese consul who was negotiating the transfer. I am quite sure that my figures are correct. If you are a Canadian by birth or by naturalization and are operating in the lumbering industry in British Columbia and wish to ship material from the coast to the east across Canada on either of the two railroads, the cost is $1.43 per 100 pounds, not per 100 feet. The representative of Japan went to one of the two railroads. I will not discriminate; I know which railroad he went to. He asked to see the shipping clerk, and he inquired of him what amount of money he would charge him for shipping those processed logs to Montreal. Well, the shipping clerk thumbed it over and he said "The rate is $1.43 per 100 pounds". The representative of Japan said: "I am not going to pay that. Before I pay that I will ship those processed logs back to Japan and by water from Japan to Montreal".

Well, it was a small shipment of some 260,000 feet. There is a compensating clause in the freight rates which they utilized rather than completely lose the business. The result was that Japan was able to ship the 260,000 feet of logs, which had been grown in British Columbia, to Japan and back from Japan to the port of Vancouver. He was able to ship from Vancouver to Montreal for 47 cents per 100 pounds. I can visualize along with the hon. member for Prince Albert that there is going to be increasing difficulty with respect to freight hauling when the people of Japan produce sufficient goods to be able to send much of their production to Canada and to other countries on the North American continent.

The real thing that I wish to speak on tonight is this. As I have already said, I have spoken on this three times before. I do wish to congratulate the Minister of Labour on the work that he and his department have done over the last five or six years with respect to the employment of handicapped people. They have done a good job. I am not going to take any credit for the advertisements and the material that they have put in the various papers across Canada, asking employers to give assistance to men and women in that particular category. At the same time I shall not take any satisfaction from the fact that it might have happened after or even before I spoke on this subject. That is neither here nor there. The fact remains that under our regulations we are discriminating against men and women of experience. I should like to quote from a guest editorial which appeared in the Vancouver *Sun* of March 11, 1955 as follows:

> Retiring at 65
> Cuts Hiring at 40
>
> What in the name of God are people going to do when they reach 40?
>
> That was the question posed by Mr. Phil Kearns, president of a united auto workers local, when he complained against refusal of some plants to hire men over that age.

Twenty-five or thirty years ago I, possibly like a great number of other people, thought that that was a good policy. I am not so sure but that I advocated it from the public platform. But whether I did or not the fact remains that the labour unions of Canada and the United States were the first to recommend that. They should not be eternally condemned for making that recommendation. I believe conscientiously that there are a great number in the labour organizations of Canada and the United States who feel today that that has not been a successfully operating policy.

I recall during the sittings of the last parliament I consulted the Parliamentary Guide to find the number of men and women sitting in the house who were over 45 years of age. I believe we had 252 members approximately in the house and of that number there were more than 166 who would be disqualified because of age if we adopted the principle that those over 45 years of age were unfit for public service.

This is a very serious and grave situation and one to which the Department of Labour and the Department of Finance should give additional consideration in the immediate future in an effort to rectify it. I should like to quote from the Ottawa *Citizen* of February 5, 1953, as follows:

> Warns Against Retiring Useful People
>
> The fact that a man had reached the accepted retirement age of 65 does not mean that he has out-lived his usefulness to his company, Dr. B. D. B. Layton, assistant director of health services, department of health and welfare, told the Aylmer Rotary Club last night.
>
> "We should be very thoughtful about arbitrarily relegating the '65 year older' to the discard", he said.

I could not agree more. It will be recalled that only a matter of months ago we retired one of Canada's outstanding scientists in the person of Jack Mackenzie. Dr. Mackenzie and I served together in the first war. Of all those in the public service of Canada, I think possibly Jack Mackenzie was one whom we as taxpayers and citizens could least afford to let go. Yet because of an arbitrary ruling he was relegated to the ash heap shortly after reaching 65 years of age.

I could enumerate many other instances, as I am quite sure all hon. members could. Has

the time not arrived when we should consider this whole problem in the light of modern conditions and in the light of the atomic age into which we are entering? The hon. member for Prince Albert, who just preceded me, referred to what might happen in the immediate future with respect to atomic power. I am quite happy to go along with him and I hope sincerely that his predictions are correct.

But I do suggest that if suddenly overnight we were to develop atomic power for civilian use in the various cities, towns and communities across Canada, we would throw into a complete tailspin the economic development that has been brought about by the use of hydroelectric and other forms of power. I am sure that none of us would want to see that; I am sure that we are all desirous that this process be a progressive one and that we will be able to start in a small way and bring about this atomic development to the point where we can use it to its greatest extent for peaceful purposes across the length and breadth of our land.

When I last spoke on this matter of people being thrown into retirement because of age the Ottawa *Journal* quoted what I had said. I do not intend to quote my words in full, but I should like to refer briefly to that article, as follows:

> "In my opinion, the sooner that wrong is rectified, in respect of these men and women, the better it will be for the people of Canada and for the service they receive from their civil servants; the better too will it be for the government that makes the necessary corrections."
>
> After his address, Mr. MacDougall told the *Journal* that to bar men in the prime of life from the civil service on account of age was "rank discrimination against experience".

I reiterate that sentiment tonight. I do not intend to make any accusations, but following my previous remarks on this subject I had an official statement that one reason why men of 40 or 45 years of age could not be taken into federal employment was that it would be actuarially unsound to do so because of the pension plan. I was sceptical at that time about the pension scheme. I recognized of course that if a man or woman was brought into federal employment at 45 years of age naturally at 65 years of age he or she would not be able to draw as large a pension as would the person who had come in at 25 or 30 years of age. I had a confirmation of that from one who ought to know his statistics with respect to these things, because he has offices in many places in western Canada. The Vancouver *Sun* published an editorial on this subject on April 21, 1955, under the heading "Pension Bogey Exposed". I quote:

> The letter which *The Sun* reprinted Wednesday from the Seattle *Post-Intelligencer*—a wife's broken-hearted story of a husband "too old at 43" to get a job—told a story altogether too common in industry and business. And altogether too unnecessary.
>
> One of Canada's leading actuaries and pension plan experts states that this sort of tragedy is unnecessary. He is William M. Mercer, head of William M. Mercer Ltd., Vancouver.
>
> The stock excuse for turning away the over-40 applicant for a job—no matter how experienced he may be or how able—is "you are too old to fit into our company pension plan."
>
> "But it is only an excuse," Mr. Mercer tells *The Sun*. "It's nonsense to say it. The real reason why employers and personnel managers are reluctant to take on middle-aged applicants for jobs is that they are usually married and have children. It's not so easy to fire such a man if he turns out a misfit, as it is to fire a young man."

I would hate, Mr. Chairman, to think that the reason there is completely defined, but I believe in all conscience that there is some reason for believing the statement made by Mr. Mercer. If by any chance any of us in this house who are today 40 or 45 or more were to be suddenly thrown upon the labour market, I am quite sure that under the present regulations a great number of us would be told precisely what the married man of 40 or 45 is now being told in the various personnel offices of industry throughout the length and breadth of Canada. To me that is a very unfortunate circumstance, for surely if a man is in his mid-forties, is married, has a family and is desirous of educating his children, it is unchristian—if I may use the word—that he should feel in his heart that, though he has had years of experience, because of the fact that he is a married man with a family, he is unable to gain employment in many of the industries throughout the length and breadth of Canada.

I do not think we can blame industry entirely. Of course, industry is the great hirer of men and women, and thank God that is the case; but it seems to me that we in this parliament and this government have some responsibility with respect to this very issue of which I speak. Maybe industry will not follow our example, if we set a good example, but if industry did not follow our example at least we would have the satisfaction of knowing that we set a good example for it to follow. That example would be set if the government made a study of this situation and were able to announce in the very near future that men and women of 40 or 45 when they apply for positions in the federal civil service would in future receive similar treatment to that given to men of lower ages today.

There is something that can be said over and above what I have already said with respect to men and women of that age. We all recognize that, as far as physical vitality is concerned, younger men and women have it all over us; there is no argument about that. On the other hand, we have to appreciate that experience is one of the great teachers, and the experience of men and women in various vocations in life has steadied them, matured them and, like Scotch whisky, has aged them all for the better. They are in a preferred position because of that experience and their desire to raise their families and educate them, whereas younger men and women have not yet reached complete maturity and stability in respect to the vocations that they are going to follow in the later days of their life. I wish to plead emphatically that the administration give this problem its earnest consideration now—not next year or the year after, but now. If they set a good example for industry and for mercantile establishments throughout the length and breadth of the country, and draw into service men of the categories of which I have spoken, I am quite sure that the results to the taxpayers of Canada will be most happy and most satisfying.

It might be slightly out of order, Mr. Chairman, but it will save time in further discussions if I conclude with another request that is of paramount importance in the area that I have the honour to represent in this house. It has to do with the Department of Labour. I believe that men and women who wish to save for a rainy day and are not fishing around to get on unemployment insurance after we have completely revised the act, men and women who have gone into semi-retirement, can today procure up to $1,200 a year. It seems to me that for many of those people throughout Canada it would be a fine step if we amended the act so that those who were desirous of participating to a greater extent than they are now allowed to do under the law might be able to procure $1,800 per year instead of $1,200 per year.

The people in my riding are not all numbskulls by any manner of means, though some of you might think they are when they send me down here, but the fact remains that there are some deep thinkers there. I know at least a few hundred people to whom individually and collectively this is a very important matter. If it is important in the riding of Vancouver-Burrard, I am sure that it must be important in dozens, and even hundreds, of ridings throughout Canada. Again I would ask the government to take this suggestion under advisement so that if those people of whom I have spoken are desirous of investing in the future welfare of Canada to the extent of $1,800 in annuities per year, the government may make it possible for them to do so.

Many of those people in that range of which I have spoken are men and women who have saved for a rainy day and they believe in the future of Canada. They believe in the soundness of investment with respect to government annuities. When they hold that belief, I think it is our duty in this House of Commons to give them every opportunity to invest to the maximum according to their desire.

I was going to quote from an address delivered in the other house by the junior senator, Hon. Nancy Hodges, on the question "The challenge of present-day estimates of old age." I am not going to take further time of the committee in giving to you some of the points that she raised. However, to my hon. friends to my left I will say this. If they want further information on it, and do not want to look up *Hansard*, if they will apply to Liberal headquarters and get the *Liberal Advocate* of February 15, 1955, they will find the address there.

The problem of age in this era, the problem of men and women living much longer than they used to live, is one that must be given consideration. I think I am safe in saying that when I was in skirts, with long golden hair hanging down my back at four years of age, the average length of life in Canada at that time was 45 years. That was a long time ago. Now, with modern medicine and modern scientific development in drugs, physiotherapy and all the various other aspects that make it easier for men and women to live longer, we have come to a state where, according to the actuarial statistics of insurance companies, it is expected that men will reach not only the biblical three score and ten but three score and ten plus two. I believe the age expectancy is now 72.

I recall that, not more than a few days ago, a gentleman in the House of Commons with whom I was speaking was telling me about his father who had retired from the publishing business when he was less than 70 years of age. The publishing company were lavish in their praise of him and they presented him with a purse. The amount of coin that was in the purse was not divulged to me, but I do not suppose it was very heavy. But they said to him, "You have been a great employee of this paper and for the excellent service that you have rendered in the part of the country where this paper is located, we are going to give you

a life subscription to the paper." He was 68 years of age when he retired. He is now touring the Mediterranean at 83 or 84. When he reached the age of 72, his old paper wrote to him and said, "Your life expectancy has been reached and your life subscription is herewith cancelled."

That is the sort of thing that makes me feel strongly on the subject that I have discussed tonight. I conclude by hoping and even praying that the administration will not only give this matter serious consideration but that, having seriously considered it, they will forthwith take off their mitts and dig in order to bring about the things that I have been advocating.

Mr. Herridge: Mr. Chairman, the question of unemployment has been thoroughly discussed in this chamber, and the views of this group are on the record. The question of unemployment insurance was discussed when the bill was under consideration, and that bill is now before the industrial relations committee. I am therefore not going to take the time of the committee to discuss those matters that have been so completely dealt with. However, for years I have been greatly interested in vocational training, particularly of the young and displaced employed persons who require it, in the rehabilitation of the disabled and in finding suitable employment for our older workers. I listened with a great deal of interest to what the hon. member for Vancouver-Burrard has just said. I might say that I heartily support his plea on behalf of the older workers at this time.

The hon. member for Cape Breton South this afternoon dealt effectively and, in my opinion, fully with the question of vocational training. Like him, I regret to see this reduction of $200,000 in the estimate for that purpose. Like him, Mr. Chairman, I believe that, instead of reducing that estimate, under present circumstances in Canada there is every need to increase it.

While we have a serious unemployment situation, I have noticed from time to time in recent years that there is a growing shortage of skilled workers such as first-class carpenters, plumbers, decorators, painters and of artisans generally who have thoroughly learned their trades and are capable of undertaking the particular kind of work in which they are trained. Industry in this country, such as the construction industry and those engaged in housebuilding and other types of building, need increasing numbers of skilled persons if they are to carry on with the programs they have in mind. If we are going to use to advantage the human resources that are available in Canada, we must extend greatly our vocational training program.

Personally, in this day and generation, I think it is a crime to allow the natural capacities of many Canadians to go undeveloped and unused just because we fail to provide the machinery to see that they get the necessary training, guidance, leadership and opportunities. I think it is an injustice particularly to our younger people who seek opportunities. I think we should do everything possible to provide those opportunities by means of a considerable expansion of our vocational training program. Such training is an advantage to the young persons or older persons concerned, and in the long run it is certainly an advantage to Canada and will pay good dividends. That is all I am going to say on that point because I do not want to take the time of the committee at this stage to deal at length with these questions that I want to mention because they are of concern to a number of my constituents and because I have been particularly interested in them for some years.

The hon. member for Cape Breton South also mentioned the great technological improvements that are coming about in all countries at this time. I think it is safe to say that technological advance is now developing at a furious rate, a tempo that was never conceived of prior to the last five years.

About six weeks ago I had the opportunity of having a discussion with a young man from Great Britain who was interested in labour problems and who had made a considerable study of them. He brought to my attention the studies that are being undertaken in Great Britain in this respect to meet the problem which it poses, even in a country where they give more attention to this question than we have in Canada so far. He gave me one illustration to show what planning can do in relation to a technological advance that displaces a large number of workers. He told me about the Lyons catering people—they are the people who have the tea shops all over Great Britain—who recently introduced one bookkeeping and cost accounting machine into their headquarters in London that was capable of doing in less than three hours the work that 250 clerks would do in a week. There was a tremendous displacement of personnel when they introduced this machine into their offices. For some months prior to putting the machine into operation the management of the company and the employees considered the whole problem, so that when the machine was

introduced every one of those 250 displaced clerks was re-employed in some other position.

Now, Mr. Chairman, I think that is an example that we could very well follow in this country on a larger scale. In my opinion the question of technological improvement has not been scientifically approached by government, by employers or by organized labour. It is not sufficient to get up and complain about the question in this house or in the country. It is a very complicated thing that requires a considerable amount of study, and a considerable amount of understanding of the problems of management and labour. It will require some technical advice and scientific information. I suggest that if we are going to meet this question of technological improvements successfully in the years to come, we have to set about doing something seriously now. I suggest to the minister that we should have some form of special committee established to deal with this problem of the displacement of workers as a result of technological improvements. This committee should be composed of the representatives of government, management and industry, representatives of the employees and possibly scientific or technical advisers, economists from the universities or other sources in this country.

It is a complicated question. It is not going to be solved overnight. I believe we have to give it very serious study. I am not acquainted from firsthand knowledge with the technological advances that are taking place in most industries in this country. I am, however, acquainted with the technological improvements that are taking place even in the operation of the small lumber companies in the interior of British Columbia. For 50 years these companies have been content to operate with the standard type of mill and one type of woods operation. They employed about the same number of people to produce 1,000 feet of logs or 1,000 feet of lumber. Technological improvements, even in some small industries employing not more than 10 men, have been necessary in order to produce lumber competitively.

I can think of one small mill now where within the last five years technological improvements have taken two men off the carriage, which is now automatically operated; three men have been taken off the pond where they serve the jack ladders; two or three men off the cutoff saws and edgers, and another dozen men have been displaced in the piling operations in the yards. All this has taken place in quite a small industry. So far as the woods operations are concerned, power saws, bulldozers, heavy trucks and big equipment are today making it possible to produce the same amount with fewer men. A few years ago the production of 1,000 feet of logs per day per man, on the skidway and ready to roll into booms, was considered good. Today they are producing 3,000 feet of logs per day per man. These developments have taken place in a very small section of the industry which has not developed to anything like the same extent the larger industries have. It indicates the problem we are facing at this time. I do suggest to the minister it is a problem that should receive serious consideration, the problem of the displacement of labour as a result of technological improvements and advances.

I should like to say a few words with respect to the employment of older workers. As I said before, I fully support the remarks made by the previous speaker. This is a very serious problem. I know dozens of older workers, men with excellent experience and training in various trades who, because of their age, are at the present time unable to find employment. I know this is a difficult problem. I want to say that the officials of the national employment service in my constituency do everything they can to find employment for this type of person. I know the managers in Nelson and Trail make a point of visiting employers and doing everything they can to find employment for these people. In the smaller centres it is particularly difficult to find employment for these people who are so well able to earn their living and whose experience, as the hon. member for Vancouver-Burrard said, is so valuable and who could make important contributions to the production of this country.

Here again I do not think the government, government departments, the civil service commission or employers have really done all that it is possible to do to solve the problem. In this respect the minister knows that on several occasions I have brought to his attention the fact that the civil service commission refuses to place applicants in various departments because of their age. Only last fall I brought to the minister's attention the case of a veteran, almost in the prime of life so far as physical condition was concerned, and with many years' experience in bookkeeping. He had been employed for six or seven years in the Department of Veterans Affairs, but had to leave when the department was subject to economy cuts. In this case the man is capable of making an excellent contribution but because of his age the civil service commission failed to recommend him for a position, although he passed with high marks and had excellent qualifications.

At this moment I want to say that I will have more to say about this when the civil service estimates come before the committee. I have come to the conclusion that the methods of the civil service commission are the methods of the horse and buggy days when today we should be using the methods that suit the tempo of today's activity. I think government departments have been reluctant to do all that is possible with respect to placing older people in the government service. I might say that I have heard about political patronage when it comes to the appointment of persons to the public service. I have not experienced much of that since I have been a member of this house. I have not seen much of it, but I have seen a good deal of what I would call departmental patronage. I have seen positions held vacant for five or six months. People who have been ready to step in, and were No. 1 on the list, have become fed up and disgusted, and got other jobs; and in those circumstances those whom the department wanted to have the jobs were placed in those positions. I bring this fact to the minister's attention.

I do not think we are doing enough by way of providing employment for our older citizens. There seems to be a certain prejudice against employing older persons in some sections of industry, and also on the part of individuals who employ labour. As I said before, studies have been made in Great Britain in connection with technological improvements and advances, and studies in connection with the employment of older workers. Studies have been made in the United States by various groups concerning the capacity of older workers to provide a satisfactory service.

A most interesting study was carried out last year by the University of Illinois. In this connection I would quote from the Ottawa *Journal* of March 19, 1955. This article is most informative, because it seems that some employers seem to be impressed with the view that only the younger people can deliver a full day's work. They overlook completely in many cases the value of experience and maturity of judgment. This article bearing the heading "Older Workers Serve Well", and with a Chicago dateline, states:

> The Civil Service Assembly says a new study shows the older workers are as efficient or better than employees under 60.
>
> The assembly cited a study made and evaluated by the University of Illinois, which rated a sampling of workers on over-all performance, absenteeism, dependability, work quality, output and ability to get along with others.
>
> The university contacted supervisors in 20 companies who told what they thought of the competence of 1,025 workers in their 60's and 70's.
>
> In over-all performance, supervisors rated 16 per cent of the older workers as excellent, 32 per cent very good, 36 per cent good, 15 per cent fair and 1 per cent, poor.
>
> The supervisors reported that 70 per cent were absent less often than younger workers, 23 per cent about the same and 7 per cent more often.
>
> On dependability, 50 per cent were judged more dependable than younger employees, and 6 per cent less dependable.
>
> Comparative percentages for work quality were 36 per cent better, 57 per cent about the same and 7 per cent poorer.
>
> More than 75 per cent of the older workers had production records equal to or higher than those of younger workers.
>
> Thirty-three per cent get along with others better than younger workers do, the study showed. Sixty per cent are on a par with younger employees in this standard and 7 per cent do not fare as well.

I think this study clearly indicates the capacity of these older people, on the whole, to perform satisfactory service. I do urge the minister's department to do more than has been done in the past, not only to aid the government in employing more applicants in this age group, but to obtain greater co-operation from industrial and individual employers so that these older people who are found more often in the smaller towns and cities will receive employment. In many cases they are not old enough to receive pensions. However, they are anxious to work; and I ask the government to do everything possible to give as many as possible of these people the opportunity to do the work they are anxious to do and who, in performing this work, would be self-supporting, in conformity with their personal wishes.

Mr. Hosking: Mr. Chairman, I should like to speak for a moment or two regarding the construction of vocational schools, because today these schools are more essential than ever before. Today many of the students from academic schools go directly to the assembly lines in factories, and from their first day of employment receive very fair remuneration. In those trades that require training and skills this is not the case; so we have vocational schools filling a need in this country which cannot be filled in any other way.

With costs of education as they are today, many municipalities are unable to supply the new schools required in those communities. The program we had in the past, of making grants in conjunction with the provinces in which these schools were located, served as a source of encouragement to the municipalities and the provinces to build the schools required.

This evening I am asking the minister to do everything within his power to continue this very important work in connection with

the construction of vocational schools. Under the British North America Act the building of schools is the responsibility of the municipalities. However, I do not think the fathers of confederation ever realized just to what extent the cost of education of the children in this country would increase. I do not think they ever visualized that every child in this country of ours would have an opportunity to attend a high school or a university; but that is the situation we have today. Indeed, I think we have advanced far beyond the wildest hopes of the fathers of confederation; and in advancing that far the costs of education to be borne by the municipalities have increased to a point where they are unable to carry the load by themselves.

I would ask the minister to take a good look at the requirements in Canada in respect of the building of vocational schools; and I hope he will be able to tell me that the usual grants will be continued for another year.

(Translation):

Mr. Dufresne: Mr. Chairman, consideration of the estimates of the Department of Labour affords an opportunity, especially for those of us who have the honour of representing labour constituencies, of making known to the house our humble opinion, which is undoubtedly also the opinion of those we have the pleasure of representing, namely the working people.

On several occasions, the hon. Minister of Labour (Mr. Gregg) gave the house statistics from his department. He has often accused us of quoting exaggerated figures, especially as far as unemployment is concerned. I have often been personally accused of quoting figures which did not correspond with those of the Department of Labour. I must say, Mr. Chairman, that the statistics of the Department of Labour, now as always, do not give a true picture of the situation in Canada. These statistics are supplied to the department by the various offices of the unemployment insurance commission in Canada and deal only with people who are looking for employment or periodically draw unemployment insurance benefits. If the department would only care to consult the different labour unions throughout the country, it would find that the statistical data given to us and the public are equivalent to 20 per cent of the actual number of unemployed. If the potential of our manpower in Canada is around 5,300,000 workers, I do say and maintain that actually about 15 per cent of these workers are unemployed.

May I be permitted a suggestion, Mr. Chairman? What would prevent the department from setting up a committee which could be called an advisory committee and which would include, for instance, representatives from the labour unions, management associations, the Canadian manufacturers association, the Canadian retailers association and the various boards of trade. These public bodies might meet from time to time and, with the information they are able to get, give the department a true picture of employment in Canada. In this way, the government would have more reliable statistics; it would be acquainted with the general situation and we would not be irresponsibly accused of quoting exaggerated figures. Moreover, it would make the government realize that there exists at the present time in the country a most alarming situation to which the government can no longer remain indifferent.

Mr. Maltais: Mr. Speaker, would the hon. member allow me a question?

Mr. Dufresne: Certainly.

Mr. Maltais: Does not the hon. member know that an advisory committee such as the one he is now advocating is already in existence?

An hon. Member: He does not know. He was in Florida when that committee was set up.

Mr. Dufresne: Mr. Chairman, it is very gratifying to be entrusted with the task of looking after the interests of our constituents but it is a pity to have to hear the nonsense coming from the members in the rear of the house who seem to represent their constituents only through their interjections, and their foolish and silly remarks.

Mr. Habel: We are stating facts!

Mr. Dufresne: The hon. member for Charlevoix asked me if I knew that such a committee already exists. If there is one, the department never mentioned it to us, and it never published any report nor any statistics.

The advisory committee I just suggested would be very efficient and be of assistance both to the minister and to his department.

Coming back to unemployment, I was going to say when I was interrupted that the government evidently is relying upon the passage of time for a solution. Although the situation remains most alarming everywhere in the country, especially in the city of Quebec and in the riding I represent, in spite of the many representations I have made for nearly two years, both in the house and elsewhere, in spite of the requests made by the various public bodies of Quebec city, the government remains deaf and does nothing to solve this alarming and sad state of affairs.

With respect to Quebec city most particularly, as I said, nothing is being done, no plan is being made. The Prime Minister, who, however, represents a riding included in the very city of Quebec, where such a great number of unemployed can be found, does not seem to be moved by the poverty which is rife, and is not even thinking of putting into effect any program of sufficient importance to cope with the situation. And what is more, hundreds of workers who during the war and since then had been employed in different arsenals, especially those of Valcartier and Quebec, have been laid off since January, which, of course, has not helped a situation that was already critical.

I know that when I inquired about that from the parliamentary assistant to the Minister of Defence Production (Mr. Dickey), I was told that there were no contracts. That may be so. Let us hope that we will have no contracts and that another war will not claim once again the pick of our youth.

But, why not, for instance, turn these wartime industries into peacetime industries? If we were able to find money to make ammunition for war purposes, we should be able to find some now to prevent our people from dying from starvation and to safeguard in particular our human resources. So much could be done in these industries which, little by little, become empty, as unemployment increases, plunging our families into poverty and threatening to dislocate completely our local economy in Canada.

Mr. Speaker, this does not agree with the numerous promises we have heard made during the last general election, when the Liberal spokesman, with the Prime Minister taking the lead, were promising employment to all Canadians.

The Prime Minister even went around the world in a gesture of friendship and good will. Nobody blamed him for it, but one day during his journey he met a large group of Canadian soldiers and told them that they would soon have the privilege to return to their country where they would find enough employment to ensure their own livelihood and that of their families. However, what happened? Many veterans came back here either from Europe or Korea, and now we see a good many of these poor men, who risked their lives for their country, gave their best years and sacrificed themselves, still waiting for their reward. They lead an aimless life, not knowing what to do, and the government, which had promised them heaven on earth, has not yet awarded them the promised subsistence, well deserved though it was.

There has been talk of a dominion-provincial conference in the fall, where this delicate problem would apparently be discussed. But, meantime, what are the thousands of people going to do who have nothing to eat and are living on public welfare funds, that can no longer stand the strain?

Yet, Mr. Chairman, projects are not lacking, particularly in the city of Quebec. I have mentioned two of these projects in particular in the two years I have had the privilege to sit here. I spoke about the reclamation of the Lairet river and urged the deepening of the St. Charles river. These are two far-reaching projects which, no doubt, would provide work for hundreds of workers.

My proposals fell on deaf ears. Not only were my representations set aside but not the slightest regard was paid to the requests of the authorities of the city of Quebec, of the chamber of commerce of Quebec as well as a number of other similar important organizations.

Mr. Chairman, why should the implementation of these two projects be refused? Not on account of a lack of urgency; not because these two rivers are not, as I have said, a constant threat to public health; but I am now inclined to believe that this request is being rejected because it has been made again and again by a member of the opposition and because they want to play politics with us, even with the hardships of our own people.

However, in 1930, Mr. Chairman, a depression arose following a too long term of the Liberal party in office. This crisis was equally felt in the city of Quebec, but in order to help the unemployed, we carried

out a big enterprise at l'Anse au Foulon, which, at a certain time, employed at least 3,000 workers from my riding. This project was achieved under a Conservative government. I only wish that this example could be an inspiration for the Liberal party.

Mr. Chairman, we are told that the government took many steps to help the unemployed. In my opinion, unemployment insurance is only a palliative and a poultice for the cancer which is gnawing at our population.

Mr. Boisvert: A poultice is not meant for cancer.

Mr. Dufresne: I did not know that my hon. friend, the member for Nicolet-Yamaska (Mr. Boisvert), knew so much about medicine. I thought of him rather as a lawyer.

Mr. Gauthier (Portneuf): It is simply a matter of common sense.

Mr. Dufresne: However, I see that he is a member of the Liberal party. I merely wanted to tell him that the Liberal party has never resorted to anything but poultices and it is still the case.

Mr. Chairman, public works are advocated. Such undertakings can only bring temporary relief under conditions such as we are now going through, but they have become necessary owing to the serious condition in which the workers of Quebec city now find themselves and which is a source of hardship for our working people's families who do not have enough for their maintenance.

The working people are not the only ones to complain. Merchants are also complaining and making efforts and sacrifices which I would say go beyond human capacity in order to avoid bankruptcy. Those that deal in the necessities of life are at this time carrying a greater amount of credit than they can really afford to. But those who are a little better off, with that kindness of heart which is characteristic of our people, as everybody knows, have taken over the government's job and have been feeding the hungry. I have already said so and I repeat it now. Unemployment is entirely a matter for the federal government who should be courageous enough to face up to the facts. As I was saying the other day, this is no time for palavers, for conferences. We must help those who are suffering, those who need help. That is the government's duty.

Mr. Chairman, when one looks at the government's actions, one wonders, sometimes, what logic there is in them. I have already praised here our part in the Colombo plan. Once more I express the hope that this plan will continue and be augmented as much as possible. What exactly is its purpose? To provide employment through large scale undertakings carried out in India, Pakistan or other Asian countries.

The lack of logic in all this is abundantly clear. Millions are given to various Asian countries in order to give employment to people who live thousands and thousands of miles away. And yet, nothing is found to give to Canadians. Not only are no jobs created, but those that existed have already been done away with. Such has been the case of Quebec city arsenals.

With regard to my own district I have already given the reasons why unemployment is worse in Quebec than elsewhere. I would like though to say that there is another reason, one which is possibly more important than any which I have already indicated.

Unemployment in this country is, in my opinion, due to the sharp competition of goods brought into this country from various foreign parts, particularly from countries with a living standard far lower than ours.

I am no political economist, but the least observant mind, the man in the street, could tell us that when it is possible to buy in Canada imported goods twice as cheap as we can produce them ourselves, we are facing unfavourable competitive conditions which are gradually stifling our industry and thus creating unemployment.

I think it is the duty of the government to take drastic but necessary measures in order to protect our industries, and especially our labour market, in such fields as textiles, electrical appliances, footwear, rubber goods, etc.

In the city of Quebec the basic industry has been for a number of years the footwear industry. Now in 1954 it seems that, on the basis of information available to me, we imported from England almost 2 million pairs of shoes, while several of our manufacturers in the city and district of Quebec were compelled either to close down or, in the case of those who could stand the competition, to stay open only two or three days a week.

How can we meet competition and create employment when certain products, which are now coming from Hong Kong, are sell-

ing on the Canadian market for $1.05 less than they cost us to produce?

For instance, shoe merchants are now importing from Hong Kong running-shoes that children and sportsmen wear in the summer time at the price of 90 cents. On the other hand, the Canadian rubber industry, which is one of the most important and gives employment to a great many people, on account of our living standard, which is, as we all know, superior to the living standard in Hong Kong, cannot produce a shoe of similar quality and sell it for less than $1.95 to retailers. It can therefore be said that, while selling both products for the same amount, the retailer prefers to buy the goods cheaper, even if he has to buy them abroad.

This, to my mind, is unfair competition, because the Canadian people cannot be asked to reduce their living standard to such an extent as to equal that of Hong Kong and other Asiatic countries.

The other day, I heard this somewhat surprising remark from the right hon. Minister of Trade and Commerce (Mr. Howe): "We must buy in order to sell." And I also heard the hon. member for Dufferin-Simcoe (Mr. Rowe) reply to this announcement as follows: "My mother always taught me that it was necessary to sell in order to buy." This is very logical, Mr. Chairman. If you have not the necessary money, you cannot buy. If you cannot buy, there will be stockpiling. If there is stockpiling, manufacturers cannot pile up more stocks from day to day, and there will necessarily be unemployment.

I therefore ask the government to undertake a very serious inquiry into this situation which is getting somewhat hopeless in certain parts of the country.

I ask the Minister of Labour (Mr. Gregg) to speak on behalf of workers who are begging for work and are asking the government's assistance; I ask the minister to make his colleagues of the cabinet understand that the situation is serious and cannot be tolerated any longer, especially in Quebec city.

I know that the members of the cabinet are human beings and that when they have been acquainted with the deplorable situation prevailing in our district they will be bound to look for a solution. Under such circumstances, the solution does not lie in mere poultices, but in important steps that will bring about work first and then prosperity.

We hear about communism. As I stated the other day, communism, especially in Italy, was the result of misery and poverty. Here we fear communism and we have reason to do so. We must fight communism and I believe one of the best ways of doing so is to feed all those who are hungry, by giving them work.

Canada is enormously rich and it is illogical to see some of our fellow citizens deprived of everything while near at hand there is abundant wealth.

Mr. Chairman, I repeat my request to the hon. minister. I know that he will take my remarks in good part and that he will strive to alleviate hardship in the homes of many of our fellow citizens.

Mr. Boisvert: Would the hon. member allow me a question?

Mr. Dufresne: Again?

Mr. Boisvert: As I am interested in the welfare of the unemployed, would the hon. member tell me how many people were without work in the city of Quebec on January 1, 1955, and how many there are now?

Mr. Dufresne: Mr. Chairman, it is a very interesting question to which I will most willingly reply. There were, on the 1st of January, 1955, in the city of Quebec, more than 20,000 unemployed and at present the number is about two or three thousand less. While some of those who were out of work at that time have been able to find jobs, either in construction or in some other industry, this decrease has been almost offset by all those whom the government has dismissed from the Valcartier and Quebec arsenals.

(Text):

Mr. Maltais: I wish to rise on a question of privilege. A moment ago the hon. member who has just resumed his seat was advocating the creating of a committee to advise the Minister of Labour on labour conditions in this country. At that particular moment I rose and asked the permission of the member to ask a question, and he agreed. My question was to this effect: Is the hon. member aware that such an advisory committee has already existed for a few years? I then took my seat and did not say another word. Some hon. members from different quarters of this house said that the hon. member was not aware of the fact because he does not attend the session and was not aware of what was going on.

Mr. Dufresne: I rise on a point of order.

The Deputy Chairman: We cannot hear two points at one time. I shall hear the hon. member for Charlevoix. I will decide on

any question of order before leaving the chair. I shall hear the hon. member for Charlevoix and then the hon. member for Quebec West.

Mr. Maltais: The hon. member, speaking very good French, used some qualification, saying he was very interested in those remarks, and he used the French words "niaiserie" and "niaiseux", which according to the dictionary would imply a simple fellow or the kind of man who is foolish. Since I did not say anything regarding the hon. member, I would say, Mr. Chairman, that it is not fair to call me a niaiseux; it is unparliamentary.

The Deputy Chairman: Order. I have heard the hon. member for Charlevoix, and I have had the advantage of having the French expression used translated for me already. It is not up to the Chair to decide whether remarks are complimentary or pleasing, but to decide whether they are unparliamentary. I find myself unable to rule that the expression used by the hon. member for Quebec West is unparliamentary.

Mr. Winch: I move the adjournment of the debate under standing orders. It is now ten o'clock, and I ask you to call it ten o'clock.

Some hon. Members: Ten o'clock.

Mr. Winch: I have asked you to call it ten o'clock, Mr. Chairman.

The Deputy Chairman: The hon. member for Quebec West raised a point of order before ten o'clock and I will hear him.

Mr. Gauthier (Portneuf): He did not raise a point of order.

Mr. Dufresne: I was raising a point of order, Mr. Chairman, just in order to mention the fact that there was no question of privilege in the few words that the hon. member for Charlevoix (Mr. Maltais) was saying.

The Deputy Chairman: Whether or not there was a question of privilege involved was, in my opinion, for the Chair to decide. It being ten o'clock, shall I report progress and ask leave to sit again?

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, should the Department of Labour be completed tomorrow, we will go on with agriculture.

It being three minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, May 20, 1955

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

Second report of standing committee on external affairs.—Mr. Picard.

DIPLOMATIC INSTRUMENTS

DISTANT EARLY WARNING SYSTEM—TABLING OF AGREEMENT FOR CONSTRUCTION AND OPERATION

Hon. L. B. Pearson (Secretary of State for External Affairs): I wish to table copies in English and in French, Mr. Speaker, of an exchange of notes between the Canadian ambassador in Washington and the Secretary of State of the United States of America, dated May 5, 1955, constituting an agreement between the Canadian and United States governments covering the construction and operation of the distant early warning system.

CUSTOMS TARIFF

CANNED MIXED FRUIT—REFERENCE TO GATT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a question of the Minister of Finance? Has the minister now seen press reports that the government is sounding out other GATT countries regarding an increase in the tariff on mixed fruits and that this is one of the one or two other items, along with ethylene glycol, which he mentioned in his budget speech? Are there any other items slated for a tariff boost at this session?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I think the house will have appreciated the manner in which my hon. friend beclouds the issue by the wording of his question. He asks, has the minister now seen press reports. The answer is yes. Then he goes on to say, "and that this is one of the one or two other items... which he mentioned in his budget speech." I presume if I answered yes to that in connection with one question he would say I had then agreed that mixed fruits were in fact among those being discussed at Geneva, and I have no intention of saying that. So if my hon. friend would drop the "and" I could answer the question.

Then as to the second question, "Are there any other items slated for a tariff boost at this session?" I made it clear in my speech as reported at page 2738 of *Hansard* that there were in fact two items by name. I also said at page 2739 that it may be necessary to introduce those items—that is, the question of ethylene glycol and possibly one or two others —into the resolution as amendments at the time we are in committee. And, sir, we will give the house notice of any such resolution in the normal way.

Mr. Knowles: May I ask a supplementary question? Does the minister care to answer my first question with the word "and" deleted?

Mr. Harris: The answer I gave yesterday was that these negotiations are secret.

NATIONAL DEFENCE

RADAR WARNING LINES—COST—CANADIAN SOVEREIGNTY

Mr. J. G. Diefenbaker (Prince Albert): Arising out of the action of the Secretary of State for External Affairs in tabling these agreements between the United States and Canada, is the minister in a position to advise what is Canada's proportionate share of the cost, in respect of the distant early warning line, the mid-continent line and the "Pinetree" line? What is Canada's proportion of the expenditures being made, and in the construction work done by the United States to what degree is Canadian sovereignty maintained?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I am not in a position to give the exact proportions of cost borne by the two countries in respect of the three lines, because the total cost has not yet been determined. However, I might make a short statement on the point raised by my hon. friend in the last part of his question.

Hon. members will recall that the statement on the over-all joint Canada-United States warning system, published as appendix B to *Hansard* of February 22, 1955, emphasized that experience has shown that projects of this nature can be carried out most effectively by vesting responsibility for all phases of the work of construction and installation in a single authority. Accordingly it had been agreed that Canada would construct the mid-Canada warning line and the United States the distant early warning line.

Inquiries of the Ministry

This exchange of notes establishes conditions which will enable the United States to build the distant early warning line as rapidly as possible in the interests of the defence of the two countries. At the same time it preserves the principle enunciated in the joint declaration of February 12, 1947, on defence co-operation, that all co-operative arrangements will be without impairment of the control of either country over all activities in its own territory. In particular the agreement provides for the effective participation by Canada in the operation of the distant early warning system, the character of such participation to be determined on the basis of studies to be carried out during the construction phase. These studies are already under way, but I should point out that they will not be completed for a considerable time and for the present there is nothing to be added to the statement made by the Prime Minister on the matter in this house on February 22 last.

Mr. Diefenbaker: May I ask a further supplementary question, Mr. Speaker. Is there anything secret about the cost of the mid-continent line, or the McGill fence, which is being constructed by Canada? Now that we know that the cost is being borne by Canada, what is to be the total cost of this line?

Mr. Pearson: As I understand it, Mr. Speaker, there is nothing secret about the cost of the mid-continent line, which is being borne by Canada, but I have not the figures. Indeed I am not sure whether the total figures are available yet, because all the costs of construction are not known. There is nothing secret about the matter, however, and as soon as the costs are known they can be made available to the house.

TAXATION

AUTOMOBILES—REQUEST FOR CONSIDERATION OF REPRESENTATIONS OF DEALERS FOR REFUNDS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of Finance, based on his speech of April 5 at page 2739 of *Hansard*. Has he any words of comfort or advice to give to the car dealers of the country in the matter of a rebate of excise taxes on stocks then on hand?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I think I answered the question, perhaps not adequately, in the answer I gave the other day in reply to the request of the hon. member for Kamloops (Mr. Fulton).

[Mr. Pearson.]

CANADIAN NATIONAL RAILWAYS

MELVILLE, SASK., ACCIDENTS—INQUIRY AS TO SPECIAL PRECAUTIONS

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the parliamentary assistant to the Minister of Transport. Have investigations been made into the two accidents which occurred on the Canadian National main line near Melville, Saskatchewan? If so, have any special precautions been taken to prevent further accidents?

Mr. L. Langlois (Parliamentary Assistant to the Minister of Transport): Mr. Speaker, the Minister of Transport is out of town today on official business. The intention of the hon. member to ask this question was brought to my notice as I was coming into the chamber. Since it is necessary to obtain part of the required information from the management of the company in Montreal, I am taking this as notice.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF LABOUR

173. Departmental administration, $685,605.

The Chairman: When the committee rose last evening we were discussing resolution 173. Shall the resolution carry?

Mr. Pouliot: Mr. Chairman, before this resolution is carried I have just a few remarks to make concerning the debate of yesterday. It is not often that a cabinet minister is described by members of the opposition as being sympathetic. That fine word was used yesterday with reference to the Minister of Labour. The greatest tribute paid to him by hon. members who engaged in the discussion was the friendliness of that discussion. For the first time during the session the matter of unemployment was considered objectively, with a view to bringing relief to the unemployed. I am not going to refer to all the speeches that were made, but all members seemed to be in good disposition and made many useful suggestions for the improvement of labour conditions throughout the country.

I believe the real advisory council and the real board of inquiry is just this House of Commons. Hon. members belonging to all parties, who are familiar with conditions in their own constituencies and in the country at large, are in a much better position to offer suggestions and perhaps are better qualified than supposed economic experts or even

judges. I sympathize with the minister because so many suggestions have been made, and naturally he must make a choice. That will take a little time, because the more suggestions that are made, the more time it will take to make a selection.

The hon. lady member for Hamilton West suggested that the advisory council should resume its activities. Then the Leader of the Opposition followed her and suggested that a board of inquiry should be set up. The two suggestions are entirely different. I was surprised to hear one suggestion being made by the labour expert of the official opposition and the other by the Leader of the Opposition himself. They should discuss things together before making such pronouncements, in order to present a united front to the House of Commons.

I have always advocated that members of parliament should have the widest possible opportunities not only to make suggestions but to make recommendations to the government. This can be done in many ways, but it can be done particularly at the meetings of the industrial relations committee, where members of all parties gather to study labour problems and the labour situation at large.

Besides what may be said to him by members of the House of Commons, the minister has the advantage of having an organization in his own department dealing with these matters. I refer to the unemployment insurance commission, which has offices spread right across the country. They report not only on unemployment but also on employment. My personal experience, and this must be the experience of my colleagues, has been that the work done by the employment offices is most useful, not only to the government because of the information conveyed to them but mainly to those who are without work and who obtain employment through the services of the employment branch of the unemployment insurance commission.

Some years ago those engaged in lumbering did not come under the unemployment insurance commission. Some hon. members, and I was one of the first to join with them, insisted that these men should enjoy the benefits of the Unemployment Insurance Act. It has worked out that way. The former minister of labour listened to our requests and made a favourable decision; therefore in my constituency there are many people who enjoy the benefits of the Unemployment Insurance Act when they are engaged in the lumbering business.

It is precisely on account of that fact that the number of unemployed has increased. It is to be regretted, of course, but it is due to the seasonal nature of the occupation, and those men, with their families, are very fortunate in getting the benefits of the Unemployment Insurance Act when they are out of work. I am most appreciative of what is done by the Minister of Labour for them.

Along with other members I have the responsibility of dealing with quite a large correspondence. When those men expect an answer from the unemployment insurance commission and it does not come as soon as they would like, they write their member of parliament in order that he may put pressure on the bureau to see that they get what is due them as soon as possible, because they are in great need. Then the member of parliament writes on their behalf to the unemployment insurance office, to the chief commissioner of the unemployment insurance commission, or to the minister, in order to give them satisfaction. It gives us an opportunity to familiarize ourselves with those problems. I do not complain about it, though it represents a good deal of work.

Without deprecating the speeches that were made by all the hon. members who spoke yesterday, I wish to say that the hon. gentleman who has put his finger on the spot is the hon. member for Cape Breton South. He said yesterday that unemployment was due in large measure to automation. He defined it, at page 3919 of yesterday's *Hansard*, as "the displacement of man by the machine". It is true. At the time we discussed the matter before the railway and shipping committee some years ago it was very unfortunate that some miners in Nova Scotia were deprived of work because of the dieselization of the Canadian National Railways. That was due to new machines.

At that time I joined the hon. member for Cape Breton South in protesting against that measure because I thought the old locomotives, which were good enough to haul large numbers of cars from coast to coast, were still of use, and it was important that they should burn coal in order to provide work for the miners of Nova Scotia, who deserve a lot of sympathy. But it was decided that the company had to go ahead with the times, that it was important to have diesel locomotives and to lay aside the good old iron horses that had done such a good job. This is one case where many good men of the railway were laid off. Some of them were transferred elsewhere, and some became unemployed.

There are many causes for unemployment. I do not intend to mention them all today. I mention only a few of which I have personal knowledge. For instance, in my county we have a branch of Canadian Arsenals Limited. Work there depends on the contracts that are

given to the company for the manufacture of munitions. When peace is advocated throughout the world it is only natural that the manufacture of munitions will decrease accordingly. We cannot have peace and war at the same time. Most of the munitions were sold to other countries, and when contracts expired it was only natural that the number of men employed should be reduced. It is very unfortunate, but this is the way it works. I understand quite well that it was not the fault of the government. There again I am in a difficult situation. I have explained it to the men, who understand it is much better to make progress toward peace than to have a war that would destroy homes and people and leave the country in a complete mess.

There is the question of good understanding between employer and employee. In that regard a very apt suggestion was made by the hon. member for Cape Breton South, and I am the happier to mention it because he is not in the chamber at the present time. He suggested that industrial councils be established for various industries, in the same fashion as there are councils in the building trades.

This is a very good suggestion. The government cannot impose drastic conditions of employment on employers. It cannot be done. Employers must show good faith and a willingness to co-operate with the staff and personnel of their organizations. To me it was one of the ablest suggestions offered during the discussion yesterday. The same thing exists already in the building trades, and it is satisfactory. Why not use it in other industries?

It cannot be done tomorrow. It will take some time to do it. Persuasion must be used to make both parties understand the situation and finally come to an understanding that would be for the benefit of the country. But if employers were aroused against employees, if the employers were to believe that the employees' requests were extravagant, it could not work. I hope there will be good understanding between the employers and the employees in all branches of industry in this country. I am sure the best man to bring about such a happy conclusion is the Minister of Labour himself. He has done so much.

If we look at the estimates we see all the items that are mentioned under the Department of Labour. It is quite astounding to see all that is done by this department, including vocational training and all that sort of thing. I wish the minister good luck and I know the future will not be as dark as it was painted at the beginning of the session, because there must be peace on earth to men of good will.

[Mr. Pouliot.]

Mr. Bell: Most of the remarks on this first item, Mr. Chairman, have followed the general pattern of praise for the department in various degrees and then suggestions, also I suppose in various degrees. I should like to say that I personally recognize that the labour department has been going through rather strenuous times these last few years, with the unemployment situation as it is and with the increase in legislation that has been necessary. I feel that these extra duties are being handled in very fine fashion, and a word of praise from me along the lines I mentioned earlier is in order.

So far as suggestions go I have one personal gripe against the department, and if the few remarks I propose to make could be considered as suggestions I should like to just leave them with the house. I say there is a great tendency in Canada, on the part of the labour department and the other groups and associations who compile statistics of various kinds in connection with labour, to consider the over-all national picture too much and leave out the regional aspect. It is a recognized fact that unemployment is regional. There are many other phases that affect the labour department which have also been unanimously considered as regional. Naturally I have a personal gripe, in that the maritimes and the Atlantic regions, which have very particular and peculiar problems with respect to labour, are being ill-considered in this respect.

Having said that I believe we are getting away from the regional aspect to a certain extent in our consideration of labour and its problems in Canada, I should like to reflect on some of these small matters in the maritimes which I feel present a particular regional aspect as contrasted with any sort of national study that might be presented by the department and these other agencies.

First of all, I suggest that we have a particular problem of low wages in the maritimes. In a recent issue of the *Financial Post* figures were given showing wages in the construction industry and pointing out that they are climbing. The table setting out these figures is divided into the principal metropolitan areas in Canada, showing the various trades as well as unskilled labour. I am not going to put these figures on record because I am embarrassed by the low wages that are listed for Halifax and Saint John. If hon. members will just take my word for the fact that the figures are so low I am embarrassed to put them on the record, that will serve to illustrate my point.

Second, I should like to refer to the older citizens who are coming into a position of increasing importance in our life today. The problems of people over 45 who are attempting to obtain work are well known to everybody. The older people in the Atlantic region are a definite problem, even more than in the central region, because jobs for which they are fitted are not available. Such jobs as night watchman and other supervisory jobs are only connected with large industry and large buildings which, as a result of our small-scale economy, are not found in that region.

Third, I think the fishermen present a definite regional problem. They are now being considered for unemployment insurance. While I do not wish to go into that question, I feel that any arguments concerning the administrative difficulties that would prevent any sort of unemployment insurance being extended to these fishermen should not weigh too heavily. These fishermen will always be in small organizations, and they will be in various areas. There is no possible chance there will ever be a great concentration of them.

The coal industry of the maritimes is another industry that needs special consideration. It definitely presents a regional problem. I believe it is today that a meeting is taking place in Halifax, to which reference has already been made in this debate, in an attempt to alleviate this situation.

Then, Mr. Chairman, I want to refer to the general geographic conditions that would make the labour situation in the maritimes, and its interrelated fields, a special consideration. I would mention briefly the immobility of labour that exists down our way, and the difficulties that have to be considered in this respect. I refer also to the small markets that exist in this region, and the tremendous drawback that factor is to any attempts at manufacturing in that area.

Having said that we have these various regional problems, and having said that I feel the various people who compile labour statistics are not giving us adequate consideration from a strictly regional standpoint, I throw out these few suggestions to the department and other groups that may, in the future, compile such statistics.

First of all I feel that we always seem to wait too long before attempting to catch up with a problem. There are two very good examples of this in New Brunswick that are of recent date. I refer to the Marysville textile shut-down of two years ago, at which time we lost one of the main industries in our community. When the mill was finally shut down, through the combined efforts of provincial, federal and local authorities it was possible to relocate most of the workers through a vocational training plan.

I feel that the situation in this case has been righted to some extent. But why was it that we had to wait until the thing had dragged on and dislocated so many people? Why could not plans have been made in advance to meet this special problem, a problem which was really unique, though I realize that other textile plants have been closed down in Canada. I doubt, however, if there have been many other cases in which a community has been dependent upon one mill.

I would refer also to the Milltown textile mill which, as hon. members may know, has been able to continue in the area due to some sort of unique co-operative plan. It has been another experiment, and I believe a fairly successful one. However, their production is not what it was.

The various co-operative measures of all authorities have been appreciated. I suggest that here are two regional matters that could have been dealt with, and concerning which plans could have been made. It was not necessary to wait until a difficult situation developed. Plans and research could have been carried out long ago to cope with these problems.

It would be interesting to have a statement from the Minister of Labour about these two matters when he sums up in closing the debate, because I think they are unique experiments in Canada and we could probably get some helpful information if we knew just what had been done. Incidentally, vocational training grants were very helpful in Marysville. We hope that any reduction in the estimates will not affect these regions in the Atlantic provinces, which depend so much upon assistance of this kind.

Then I would refer to the various articles, particularly those dealing with research, compiled by the Department of Labour. I have before me a most commendable article dealing with labour research to which reference has been made by other speakers. This is prepared by the Canadian Congress of Labour, and I seem to detect in it the hand of Mr. Forsey. It purports to be a survey of economic trends in the Atlantic provinces. This work is startling and revealing, and I suggest that perhaps officials in the Department of Labour might work along similar lines. It may be that they have done research work that is just as good, dealing with regional aspects of the matter, but I must say they have not come to my attention. I just mention this in a friendly way.

Then I noticed in the press a few days ago that on the occasion of his trip to Nova Scotia to accept an honorary degree at Acadia University the Minister of Finance referred to the economic survey being planned. He said, and I have no reason to doubt his word, that special consideration will be given to the economic aspects and problems of the Atlantic region. We hope this purpose will be carried out. It serves as an illustration of what I have been saying, that special attention should be paid to the regional aspect of the matter.

Then I have two other points in mind. I believe many will agree when I say there should be closer co-operation among various departments of government. This lack of co-operation has a particularly unfortunate effect on labour when one considers that in connection with such matters as immigration and labour, for example, there are so many overlapping duties and responsibilities. Yet we do not know of any co-ordination between these branches of government. I imagine that there is a considerable amount of co-operation; but surely the time has arrived when we must really get together. If this were done it would eliminate much of the trouble we now have in connection with the distribution of immigrants.

For instance, it was only a few days ago that the hon. member for Quebec West referred to the surplus labour force available at Seven Islands. I am not saying anyone is responsible for this; I am simply pointing out that if there had been a close liaison between the immigration branch and the Department of Labour this condition at Seven Islands might have been avoided. It would seem that this is another suggestion falling within the ambit of those special duties which, it seems to me, rest with the Department of Labour.

Then it would seem that there could be closer co-operation between the Department of Finance and the Department of Labour. I was interested reading the other day in a United States newspaper about a method used in the United States to eliminate labour surplus areas. I do not know whether it would be possible to implement such a plan in Canada but, briefly, in the United States it appears that groups interested in finance and labour are charged with the responsibility of getting together and making decisions as to whether certain areas are labour surplus areas. The labour surplus condition could develop from a local economic condition, such as the shutting down of an industry, or for some other reason. Under this scheme, when an area is declared labour surplus it is given official assistance by the federal authority. In this way defence and other industries can locate where labour surplus is in evidence, and thus receive federal assistance.

I would like to apply that principle to the maritime provinces and, in particular, to the situation at Marysville. At that point there was a shut-down of industry, and a special problem developed. However, a very skilful labour surplus was available there. Why would it not have been possible for some other industry to come in and make use of that labour surplus? I suggest, further, that it might have been possible for the department to work out with the Department of Finance some scheme of special tax concessions, perhaps involving amortization over a period of 20 years and permitted as a deduction from the federal taxes imposed on an industry.

Had such an inducement been offered an industry may have been able to come in and locate. As the situation stands today the municipality must bear the responsibility. It must offer various tax concessions and assessment relief and, as we know, the municipalities cannot afford special assistance at that time. I do urge, therefore, that there be closer contact and co-operation among departments of government.

There is one further matter I would discuss with the minister, and that is the matter of local advisory committees. We have in Canada many complex problems in local areas. In that connection I think immediately of the national harbours board, which today is big business. With the approval of the department, local advisory committees are being set up in the different ports to advise the permanent officials as to local needs and plans. I understand that for some time there have been local advisory employment committees in various areas of Canada.

I suggest, however, that the responsibility for the organization and co-ordination of these local committees should not be left to the local unemployment insurance officer. The department should make definite plans for co-operation, and should advise how a group could function. I realize that there may be some interdepartmental advice and assistance in this connection, but I do feel there should be a greater measure of guidance and co-operation. For instance, recently the department published an interesting and useful booklet on the subject of older workers, setting out the problems of this group. I believe that publication was well received and probably was helpful in assisting those charged with the responsibility of looking after those workers.

In conclusion I should like to refer to an article to sort of tie in the suggestions I have

made. The article is entitled "This Changing Canada". It is taken from *Canadian Business*, published by the Canadian Chamber of Commerce, and is dated May, 1955. It is mainly concerned with industrial growth and manufacturing, and was written by Richard L. Edsall. He is referring to employment in manufacturing and the increases that have taken place across Canada, and says:

> Going 'way back, of course, you find a sharply different picture. In 1870, when the first Canadian census was taken, Nova Scotia and New Brunswick employed 13 per cent of the country's factory workers; by 1952 this figure was only about 4 per cent. Even more surprising, those maritime provinces had a greater number of manufacturing employees in 1870 than they had 69 years later, in 1939. In the same 69 years, manufacturing employment in Quebec rose to 330 per cent of the 1870 level, and in Ontario to 365 per cent. The 1870 figures are not completely comparable with later ones, but even so they show in startling relief both the relative and absolute decline of manufacturing in the maritimes.

Further on, Mr. Speaker, the author has this to say:

> This points up, once again, the need to study regional as well as over-all national changes. It may be clear enough on a national scale, for instance, that the food and beverage industries have slipped in relative importance. But if you unthinkingly assume that this applies more or less equally to all areas including the maritimes and prairies, you will miss seeing the true impact that this industry's rate of growth can have locally.

I leave that with the minister and his department. I should just like to say that the economic picture in the maritimes is very good. We are quite optimistic about the future. But I do feel that some of our modes of life and regional considerations, particularly labour, must be given that extra help we need to put us back on a very good national footing.

Mr. Philpott: I have no intention of holding up the passing of this item, but I wish to take a few minutes chiefly to correct the history of the Leader of the Opposition and the hon. member for Winnipeg North Centre.

Before I spend a few moments on the history of the Leader of the Opposition, may I take a minute or two to congratulate him on his fine television performance last night. It was as expert a performance as I have seen, at least since I saw the Minister of Fisheries a week or so ago. If they both keep on improving they will soon be in the class of Anne Francis, who is also very photogenic.

The history of the Leader of the Opposition that I particularly want to refer to was not so much the particular point he made last night, but rather the remarkable statement he made the other day that the Conservative party in Canada was entirely responsible for bringing about confederation. That amazed me for two reasons; first because of where I sit in this house, and second as a former associate editor of the Toronto *Globe*, I am sure that particular statement would have been news indeed to the founder of that paper, the late Hon. George Brown. Therefore I want to suggest in all kindliness that I hope the next time we have a party in the railway committee room I shall have the privilege of pointing out to the Leader of the Opposition that sitting right in the middle of the fathers of confederation is Hon. George Brown, who certainly was not a member of the Conservative party. If I remember correctly, the reason the Conservative party for about 60 years used the title "Liberal Conservative party" was the contribution made by the Liberals as well as the Conservatives to the confederation of Canada.

I do not intend to go into the rather remarkable version of history given yesterday by the hon. member for Winnipeg North Centre in regard to the Winnipeg strike. I happen to know a great deal about that strike, because I had partly written a novel about it. I think it was about the worst novel ever written in Canada. It was so bad I threw it away. In any event, I had to do a lot of studying of the Winnipeg strike to write it.

Without labouring the point, apart from the fine speech I mentioned in the house yesterday, made by the dean of the house, the hon. member for Quebec South, if the hon. member will look at the speech made by the uncle of the present member for the Magdalen islands, the late Lucien Cannon, he will see that the version of history he gave yesterday was certainly not complete. There were voices raised in the house at that time about the mistakes that were made.

Mr. Knowles: Will the hon. member permit an interjection?

Mr. Philpott: Certainly.

Mr. Knowles: I went only so far as to say that on June 6, 1919, there was no opposition offered by the Liberal party. That was the only point being discussed at that time.

Mr. Philpott: I welcome that interjection. It is because I know the hon. gentleman opposite has such a high regard for accuracy that I did not think it was a good thing that a mistaken impression should go into the records of this house.

Mr. Dufresne: On a question of privilege, I should like to remind the hon. member that when he spoke of the late Hon. Lucien Cannon as being the member for the Magdalen islands, he never was.

Mr. Boisvert: No; you should listen more carefully.

Mr. Philpott: I may tell the hon. member for Quebec West that I was referring to the uncle of the present member for the Magdalen islands.

There are two other points I wish to discuss for a minute or two, Mr. Chairman. The first is to give what support I can to the very eloquent plea made by the hon. member for Vancouver-Burrard, namely for a study of ways and means to help fit into the Canadian picture the people who have got beyond the age when they find it easy to get steady employment. That is something which should be close to the hearts and should be engaging the minds of all members in this house. The second point is to give very definitely qualified support, strictly qualified support, to the recommendation made not long ago by the hon. member for Spadina, with whom I almost always agree, on the question of a study of the guaranteed annual wage. I say I give it qualified support because one of the reasons I believe it should be very carefully studied is that I am by no means convinced that the guaranteed annual wage, as it has been advocated so far in Canada, would be on balance a good thing for all ordinary working people in Canada.

Perhaps it could become a good thing for certain industries. On another occasion some time ago the hon. member for Hamilton West referred to the stop and go system in the manufacture of railway cars. Perhaps through better planning and more systematic purchasing by the two railways we could have something more in the nature of steady employment, which in turn would help to give in effect a guaranteed annual wage. It does seem to me that in any industry where the workers and the management could get together and could show how, by stabilizing employment, they could cut costs and give consumers of Canada products at lower prices, then of course you could justify the guaranteed annual wage on that basis.

But, Mr. Chairman, I am frank to say that the great danger I see is the rather indiscriminate and unstudied advocacy of the guaranteed annual wage as a mere slogan. I would think any large employer of labour in Canada who was compelled to accept the principle of a guaranteed annual wage when he felt it was not in his own interests to do so, who was compelled to keep on his payroll all year round a certain number of workers whether or not they could be profitably employed, would feel inclined to cut back or drastically reduce the number of workers he would retain on his payroll.

I am not stating that as my studied conclusion. I am simply stating it as a reason for urging upon the Minister of Labour that before too long a proper body be set up to study all the effects of the guaranteed annual wage. I for one do not believe we will ever get ahead in this country if this guaranteed annual wage is brought about as a result of the coercion of one side or the other in industry. I do not believe in the coercion of workers, and in the state of society in which we live I do not believe in the coercion of the people who provide employment. I think a guaranteed annual wage would be a great mistake unless it was shown to the employer as well as to the worker that it was to their mutual interest.

Mr. Barnett: Mr. Chairman, obviously the discussion on the first item of the estimates of the Minister of Labour has opened up quite a wide field of debate. Naturally I am tempted to pursue the line which has just been followed by the hon. member for Vancouver South with reference to what he has termed as the guaranteed annual wage but which I think is being more aptly termed in some quarters as the guaranteed employment year. The danger he mentioned of a cut-back in productive activity is undoubtedly an important consideration in that connection. I was pleased to note that this was a subject for considerable study in the research carried on by the U.A.W. union. If the hon. member has not studied some of their proposals I commend them to his attention.

At the beginning of his remarks the hon. member for Vancouver South gave us another chapter in the history lesson we have had during the course of this debate. I do not intend to participate in that history lesson, but I am rather tempted to move for a few moments into the realm of philosophy which was being pursued last night by the hon. member for Prince Albert. Those hon. members who heard his remarks will recall that at the beginning of his speech the hon. member gave us quite a philosophical discourse upon the ramifications of the industrial revolution as it affected employment. He referred to some remarks that had been made earlier by the hon. member for Cape Breton South. The hon. member for Prince Albert had this to say in part, and I quote from page 3939 of *Hansard* of May 19 as follows:

> While each generation fears that mechanization will reduce employment, each generation in succession has found that while mechanization has expanded to a degree beyond the belief of anyone of even 50 years ago, nonetheless employment has been extending by the extending field of other production.

The hon. member had prefaced that general statement by suggesting that he felt the hon. member for Cape Breton South had but repeated a rather old fear which has always been with men since the beginning of the industrial revolution, that as inventiveness makes possible a greater production it also brings about a continued and extensive unemployment.

I would venture to suggest that when it comes to making a philosophical analysis of our industrial society the hon. member for Cape Breton South penetrated just as far into those implications as did the hon. member for Prince Albert. The hon. member for Cape Breton South is quite aware that over the course of years new fields of productivity have been opened up. I think that problem was very much in his mind, and I should like to quote his words as recorded on page 3919 of *Hansard*, as follows:

> Within the next few years we are going to find that automation will be putting more and more men on the street and we will be faced with the problem of retraining men for some other gainful occupation.

Earlier the hon. member had posed the question of whether man was going to be master of the machine or the machine master of man. It would appear to me that in that statement and in his reference to the need of retraining the men who are going to be replaced he was pointing out to this house that in the process of the industrial transformation which is proceeding, as he suggested at an ever-increasing pace, we must not lose sight of what that process has done and is doing to the human beings who are involved. That seemed to me more to the point in a discussion of the estimates of the Minister of Labour than to ramble into philosophical generalities indulged in by the hon. member for Prince Albert. Unless the Minister of Labour and every hon. member of this house are concerned with what is happening to the human beings involved, an expanding productivity does not mean a great deal.

I shall pursue this matter only to the point of using one illustration of how we cannot disregard the effect this changing technology has on the lives of human beings. An event took place in my own district within the last year or two. At various times there was a suggestion in the local press that the Department of National Defence had plans to build something like 100 houses to provide accommodation for the personnel of the air station. The fact that this was in contemplation was a matter of great interest to those concerned in the construction trades. As these reports continued they anticipated, and I would say quite rightly, that when that construction project was undertaken they would have an opportunity for employment. As individuals they may have qualified for benefits under the Unemployment Insurance Act, and as people with homes in that district they naturally made their plans according to the prospects. Rather than leave their homes and go to some distant part of the country they said, "We will stick it out; we have this prospect of a period of useful employment before us, and we are going to stay put."

Then a decision was made that these houses were not to be built directly under the auspices of the government, but rather that a plan setting up a limited dividend housing corporation would be the best way to deal with that situation. I am not suggesting at the moment that was not the best way of dealing with that particular situation, but the point I am trying to make is that once that step was taken the opportunity for employment in that area where this action had been anticipated suddenly vanished into thin air. It was announced that the houses were going to be erected as prefabs, and that the prefabs were going to come from another part of the country.

That is an example in a small way of the unnecessary uncertainty which individual workingmen have to face as the technology of production changes. Somehow or other it should have been possible for those men to have been forewarned that their prospective means of livelihood was going to be whisked out from underneath them because of another method of housing production. The fact that it may be a more efficient and economical method of housing production is small comfort to those tradesmen, who because of that situation have lost some work at wages that would have enabled them to live in comfort and decency. That is the kind of problem I, as a member of this house, have in the back of my mind.

I heard the hon. member for Cape Breton South suggesting the need for retraining, and I would add the words "and reorientation", of the working people of this country to meet these changing conditions. One of our responsibilities in this house is to apply our minds and our thoughts to how that can be done, and that is one of the responsibilities which we hope the Minister of Labour and his department will be increasingly willing to assume as time goes on.

This debate has gone on at some length, and I intend at this time to mention only one other point. I should like to add a few words in support of what was suggested

by the hon. member for Winnipeg North Centre in respect to the need for consideration of a wider coverage, tied in with unemployment insurance, for unemployment resulting from illness. I suggest that increasingly the normal pattern for coverage against loss of income from sickness is becoming closely allied to the pattern which has been followed under our unemployment insurance plan. I know that in the area from which I come a very large number of workers are covered for that purpose by various local arrangements between employers and employees and various insurance companies. The pattern in its application is very close to that of the present unemployment insurance plan. Employer and employee each contributes half the cost of that plan; the premium is paid by a payroll deduction, and benefits payable are in many instances somewhat comparable to those which are made out of the unemployment insurance fund. So, Mr. Chairman, it seems to me that it is becoming increasingly evident that a much more logical, efficient and economical arrangement would be to have that type of coverage closely allied with our present unemployment insurance arrangements on a national scale.

I have heard the Minister of Labour discuss and advocate the need for greater mobility of labour in this country. I suggest that one of the greatest disadvantages of the present type of plan which covers people for loss of income through sickness is that it tends to make labour more immobile, that a man is not able to move from one employer to another without losing the coverage for sickness that he may have enjoyed in his former employment. The only logical way such a plan can be developed is through some such agency as we have in our unemployment insurance commission.

I suggest that there is really no great reason why any serious objection to that development should come from the employing interests. I know on a good many occasions I have heard people in management, particularly in the office end of management, complaining about the time-consuming efforts in which they have to engage in order to make the multiplicity of payroll deductions involved. Here is a manner in which great economies, taken in total, could be effected. All deductions and all arrangements and correspondence involved could be combined and simplified to bring about a broader basis of coverage, both for unemployment through loss of a job and unemployment because of sickness. These two could be combined in one simple deduction plan that would cover workers not only in a particular firm at a particular time but also wherever they might be called upon to go in the course of finding useful work within our Canadian economy.

Mr. Hees: Mr. Chairman, as we all know, each month the dominion bureau of statistics and the Department of Labour issue a news release showing the unemployment for the previous month. In May, 1953, this release was made on the 20th day of the month. In May, 1954, the release was made on the 19th day of the month. Last month, April, the release was made on the 19th day of the month. Today is the 20th day of May, and there has been no sign—

An hon. Member: Yesterday was a holiday.

Mr. Hees: —of the appearance of any news release showing unemployment in April. The material that goes into these news releases is available for several days before the news release is made. If you look at the news release, you will see the heading states that it is to be made available at ten a.m. on a certain date. The material is not just made available on that date, of course; it is known several days before, and there is no doubt that the Department of Labour is familiar with that figure today.

Now, Mr. Chairman, I believe we are entitled to ask why this release has not been made public. I think it is for the same reason that consideration of the estimates of this department was pushed forward ahead of the estimates of the Post Office Department, so the government could try to get the labour discussion out of the way before it became necessary to publish what are obviously going to be embarrassing figures regarding the unemployment situation.

Seeing that the government does not choose to make these important figures available at the time they should, when this debate is in progress, I think it is only fair that we should examine past figures and try to estimate what the figure is likely to be. If you examine the figures for the past three years you will notice there is a fairly consistent pattern of increases and decreases in unemployment, as employment ebbs and flows during the periods of relatively high and low employment in these years.

Let us take, for example, the first four months of the last two years and compare them. In 1954 unemployment in February increased over January by 7 per cent. This year unemployment in February increased over January by 8 per cent. In 1954 unemployment in March increased over February by 2 per cent. This year unemployment in March increased over February by 3 per

cent. So you will see there is a fairly consistent pattern month by month, and it holds good if you go back several years.

In 1954 unemployment in April decreased from the March figure by 3½ per cent. In estimating what the figure may be for April of this year, I think it is fair to assume that as unemployment increased this year at a slightly greater rate for the two previous months, it would decrease at a slightly greater rate than last year for the month of April. Therefore, instead of assuming that unemployment would decrease from March at the same rate as last year, 3½ per cent, I think it is fair to assume it would decrease by 4½ per cent from March. Applying that figures to the March unemployment figure of 633,000, I arrive at an estimated unemployment figure for April of 605,000.

That is the situation, Mr. Chairman, which I believe the government are most anxious to hide. They are most anxious to hide it because they described the unemployment situation as merely seasonal and regional in referring to it in the speech from the throne. When the suggestion was made to the Minister of Labour that he might extend supplementary benefits beyond April 15 his reply was, "Well, after all, there will not be many unemployed at that time."

As I have pointed out, there are a great many unemployed as of this time, and there were a great many unemployed during the whole winter when the Prime Minister refused to deal with the matter. He brushed it aside as something of no consequence and finally, when he did come to deal with it because of the great pressure brought to bear on him by opposition members of parliament and the provincial premiers, he put forward to the provinces a proposition that can only be termed a cheap substitute for the proposition put forward in 1945 by this same government. It is a cheap substitute put forward by a government which in 1941 and 1945 accepted the principle of federal responsibility for unemployed employables.

The offer put forward by the Prime Minister at the dominion-provincial conference is very inadequate, because it places far too heavy a load on the provincial and municipal levels of government, which do not have the sources of taxation available to bear these very heavy costs.

I think the most important thing of all in the handling of the unemployment situation by the government to date is the fact that the government has refused to make any attempt to meet the need of providing more jobs in the country today. If the government refuses to face this need, then it is up to opposition members of parliament to make suggestions in the hope that perhaps in a year or two, after the government is sure that no credit will accrue to the opposition for such suggestions, they might possibly be adopted.

Let us look at the possibilities in this country for increasing job opportunities. We live in a country that can produce enough food to support several times our present population. We have almost limitless sources of hydroelectric power, coal, oil, natural gas, and uranium from which we can produce atomic energy. We have also almost limitless supplies of timber, iron ore, copper, zinc, lead, nickel and practically every other mineral that is used in manufacturing industries today. Yet for some unknown reason we in this country seem perfectly satisfied to ship most of our mineral wealth out of the country in its raw state, and buy back much of it in the form of finished articles which have been processed in other countries, thereby giving employment to foreign workmen.

I think it is about time we asked ourselves why we do not process far more of our raw materials right here in Canada and provide jobs for Canadian workmen, instead of being content to go on month after month with unemployment figures in excess of 600,000 and not be willing to face the fact that something must be done about this critical situation. You cannot keep on passing it off, as the government seem determined to do, as something of no consequence, something which is merely, to use their own words, seasonal and regional.

In addition to the raw materials we have right here in Canada, and the almost limitless sources of power of one kind or another, we also have large supplies of capital; and we have proved we can attract it from outside. We also have the supply of brains necessary to make an important industrial expansion possible. Why do we not do something about it? I am going to make some suggestions to the government as to what they can do to get this thing moving.

First of all, Mr. Chairman, we must realize that in a free country we cannot simply issue a command and have industrial expansion start. The government must create an attractive economic atmosphere within the country or new industries will not be started and present industries will simply not expand. You cannot just command them to do it. Unless we do create an attractive economic atmosphere in the country we are going to continue to be primarily a producer of raw materials to be shipped out of the country to provide work in foreign factories for foreign workmen,

and then buy back many of these finished products in Canada. That, to me is the ultimate in stupidity.

What should we do to create this attractive economic atmosphere? I am going to make five suggestions to the government, and I think they are practical suggestions. First of all, to encourage new industries to start and present industries to expand, I say we must make it easier for new industries to show their first profit. We can do that if we will reduce taxation on the first profits an industry makes.

As a suggestion, I urge that on the first $20,000 of profit, before taxes, we reduce the rate of tax from the present 18 per cent to 15 per cent, and raise the ceiling from $20,000 to $25,000. I believe the fact that the present rate of tax jumps, from 18 per cent on up to $20,000, to 47 per cent on the next $1,000 of profit is a severe handicap to the expansion of small industry. I believe the government would induce a great many small industries to expand beyond their present limits by making the increase beyond the top of the lower bracket, at the present time $20,000, to up to say $50,000 at an even rate instead of making a sudden jump to 47 per cent.

It is obvious that if two men who are in business are making $20,000 today, who by taking some chance could expand, find that by doing so they will have to give the government half of the next $1,000 they earn, they will go on producing at the same rate and not expand. However, if there were a steady rate of increase in taxation from say $20,000 up to $50,000 it would encourage the expansion of small industries which might turn into big industries.

Second, I suggest we make it possible to sell more goods, both here and abroad, by lowering our costs as a result of the reduction of sales taxes by at least 25 per cent. The government argue that this cannot be done because there will be a loss of revenue. Any businessman knows, Mr. Chairman, that if his cost is so high that he is losing business it becomes advantageous to him to reduce his selling price to the point where people will buy considerably more of his goods. He knows that the greater volume of goods sold, multiplied by a smaller unit profit will, if it is properly worked out, give him larger total net returns than formerly. In the same way, if we reduce the cost of the goods we sell by reducing our sales and excise taxes materially, it will make it possible to sell more goods. The larger volume of goods sold, multiplied by a smaller unit tax, may, I believe, very easily equal or exceed the present total tax revenue.

[Mr. Hees.]

The third suggestion I make is that we should make a really worth-while reduction in income taxes. The last income tax reduction was simply a token reduction. It amounted to less than 25 cents per week for a married man with two children earning the average income for Canada. Such a reduction is not going to do very much by way of stimulating sales or plant expansion. It is not going to make people rush out and buy goods or expand their plant.

I suggest that a substantial reduction in income tax be made in the interests of making it possible for people to buy more goods. If people buy more goods, more goods will be produced; more people will be employed producing those goods, and the government will be collecting more tax revenue on more goods sold. The government will also receive more income taxes as a result of more people being employed, instead of paying those people unemployment insurance benefits or direct relief. It is simply a matter of dollars and cents arithmetic in which this government seems unwilling to indulge.

The fourth suggestion I make is that we should reduce the risk involved in starting new enterprises by doubling the rate of depreciation on plant and equipment. If a man who is thinking of going into a new enterprise, which he believes is perhaps risky, knows that his money is only going to be tied up for half the length of time it would otherwise be, he will be more likely to take the chance. We have to make it attractive for people to put money into new enterprises. We cannot force people to invest money and start new enterprises. Unless people are willing to invest money, new enterprises simply will not get started.

The fifth suggestion I make is that we make it easier to sell our goods to other countries, and to attract tourists to Canada, by stabilizing our dollar with the United States dollar.

As I have said, the government claims that taxes cannot be reduced because that would result in a loss of revenue. I say the only way we are going to solve this unemployment problem, the only way we are going to make it possible for Canadians who want to work to have productive jobs, is to create economic conditions in this country which will make it attractive for people to start new enterprises, and for people who are in small enterprises to expand. Unless people want to do these things they will not be done and our country will remain primarily a producer of raw materials which will be shipped out of the country to provide employment for people elsewhere.

When speaking last September the Prime Minister said that if the government was not

smart enough to arrange its affairs so everybody could have a job, then it was incompetent. Having made some suggestions here today in a very serious frame of mind, to which I hope the government will give serious consideration, I believe that by following these suggestions the government could cure the incompetence which the Prime Minister, on their behalf, has admitted exists today.

Mr. McIvor: I should like to ask the hon. member a question. He has suggested reducing income taxes substantially, and reducing sales taxes. Where would he get some revenue to enable the government to carry on its business?

Mr. Hees: I have tried, Mr. Chairman, to explain to the hon. member for Fort William and other members in the house how this would be accomplished, but I shall do it again. If you are making a limited volume of sales because your costs are high—this is the sort of thing any businessman has to calculate every day of the year—then you must reduce your costs and increase your sales. I am suggesting that by lowering the sales tax materially we would lower the cost of the goods we have to sell, thus making them more competitive with the foreign goods that are entering the country today. If we can sell more goods, then we will be able to tax more goods and the greater volume of goods sold multiplied by the smaller unit tax will possibly equal or exceed the present total tax revenue. If you make it possible to sell more goods you have more people employed. Instead of drawing unemployment insurance or direct relief, these people will be earning incomes on which they will be paying income tax, and that would be added revenue to the government.

I suggest that by adopting the ideas I have put forward you will create conditions in the country which will attract capital investment in new enterprises and enable present enterprises to expand, and create a condition in the country which will mean the employment of many more people and the production of a great deal more goods. By so doing we will increase the sources which produce taxes, increase the number of income tax payers and the volume of goods sold, and I believe by careful operation we can in the long run considerably increase our tax take. Surely this is well worth trying.

Mr. McIvor: But it is not so easy.

Mr. Stewart (Winnipeg North): Mr. Chairman, I should like to refer to a matter which perhaps could be discussed more properly under item 178. However, I shall bring it forward now so the minister may give it consideration during the dinner hour and be in a position to state the government's position.

There is being circulated within the ranks of the government a document which I find stupid and utterly obnoxious, and which conceivably could be used in a wicked way. To my way of thinking it is a document which is quite illegal, because we have passed legislation banning this sort of nonsense. I hold the minister responsible because there is no one else I can hold responsible. In saying that I am not saying I believe for one minute that he has connived at what is going on or, indeed, that he condones it. However, he is responsible to the house for what I consider to be a violation of the law.

Two years ago all parties joined in hailing the Canada Fair Employment Practices Act. The minister will remember the acclaim it received and the manner in which is was passed through the house because it filled a need, in the view of many of us. We think, too, that it has proven its usefulness.

I, for one, have never seen any sense in these application forms for employment in which questions are asked concerning the nationality and racial origin of applicants. I have always assumed that a person would be given a job because of his or her inherent ability, and not for any other reason. Now we find that in this act it says in section 4(5):

> No person shall use or circulate any form of application for employment or publish any advertisement in connection with employment or prospective employment or make any written or oral inquiry in connection with employment that expresses either directly or indirectly any limitation, specification or preference as to race, national origin, colour or religion unless the limitation, specification or preference is based upon a bona fide occupational qualification.

That is the law of the land. Yet I have in my hand this document which, I assume, is circulated throughout all departments of government. I make that assumption because no one particular department is named. This purports to be a personal history form. What are the questions asked? They are those which parliament agreed should be banned from such forms.

For instance, the applicant is asked to give his nationality. Yet in the subsection I read that is forbidden. The applicant is here asked to give his racial origin; again the subsection forbids it. Surely the government is not going to continue to violate the statute.

Then the document becomes even more stupid, because on the next page it asks for the names of immediate relatives, wife, husband, sons or daughters over 16. It asks for the names of the father, mother, brothers and sisters, including blood relatives and deceased parents. Then the government

wishes to know the country of birth of a deceased parent. The government wishes to know the country of birth of step-relatives and blood relatives. What conceivable use can it make of such information? And if it cannot make use of that information, why ask such stupid questions? If it is going to use the information, then why is it to be used?

After all, what has my father's birthplace to do with my capacity to hold down a job? What has my mother's birthplace to do with my ability to do a job? What has the birthplace of my in-laws to do with my loyalty to Canada? Yet these questions are asked here. And not only are they asked in respect of the applicant, but also his wife—parents, wife or husband, date and country of birth.

I maintain that these questions are utterly unforgivable, in view of the legislation passed by the house and also in view of the protestations made by various members of the government. I bring the matter up because I would like the minister to find out during the dinner hour just what the government's policy is, whether it is going to pay any attention to the statements which were made in parliament two years ago, or whether it is going to continue issuing what I described earlier, and I suggest most correctly, as a stupid and obnoxious document.

Mr. Cameron (Nanaimo): Mr. Chairman, I am sorry the hon. member for Prince Albert is not in his seat, because at the outset of my remarks I want to comment on some expressions he used the other day. I wish I could share his optimism when he suggests that what we are witnessing in our industrial society is merely a repetition of what has happened before, and that the massive displacement of human labour that we see immediately ahead of us carries no more dangerous implications for our society than did the more primitive developments of past years.

I would point out, too, that even during those periods when much slower and much less fundamental changes were taking place, the consequences of which the hon. member for Prince Albert dismisses so cavalierly, there were many thousands of people whose lives were ruined, many thousands of people who faced a complete blank wall so far as earning their livelihood was concerned. It was not a light matter with them.

But today we are facing something much more fundamental and much more important than that. I heard the other day about a plant in Ontario in connection with which it was revealed that a couple of years ago, after all taxes and costs were paid, it had more funds in net profits than were paid out in wages and salaries. This was not because the wages and salaries were low because, in fact, they were not; they were among the highest in industry. It was because the human element of production in that particular industry has become such an unimportant factor.

Out in my own constituency we have a similar development. I want to deal with this in detail, because I think it illustrates the real nature of the problem the government and the people of Canada face today. We have in my constituency one of the largest wood pulp factories on the Pacific coast. A few years ago it was doubled in size. Just before that doubling process took place there was a merger between two very large forest products corporations. At the time the merger took place the company to which I am referring sent a prospectus to all its employees, respecting the two merged companies, explaining their plans for the future. They were very frank about their plans and their financial position, and told their employees they were going to build an addition to the plant at a cost of $17 million. All of this was to be paid out of surplus earnings of the previous few years. They said that when this addition, costing $17 million, was completed, there would be work for 100 more employees.

That, I suggest, gives some idea of the sort of problem we are facing today. When we break this down we find that it represents an investment of $170,000 per man employed. And when we realize that the cost of that investment, and the returns, must be paid by the labour of those employed in the plant, we find this rather startling picture.

The average wage in that industry was at that time $3,600 a year. Each of the 100 workers would have to produce $3,600 worth of wealth to pay his wages, to start with. He would then have to make enough to pay the depreciation on a new plant. If you put that at the very modest figure of 5 per cent for buildings and equipment—and I am quite sure it would be very much more than that—then he would have to produce, in addition to the $3,600 for wages, $8,500 worth of wealth to pay for the depreciation charges. Then presumably there would be some return on the investment, and if you put that at another modest 5 per cent we would have another $8,500. So each of these 100 new workers must produce $20,600 worth of wealth during the year, otherwise that plant cannot function.

I am mentioning this not with any suggestion at all that the workers in that industry are hard done by, or are being exploited or robbed; they are not. They are well paid,

and the jobs are not very arduous. But I want to point out the discrepancy between the volume of wealth produced and the volume distributed in wages for its production, which creates for us the most appalling problems for the future.

The developments we have had in the past and the developments we have today differ not merely in degree but actually in kind. I hold in my hand a book published five years ago by Dr. Norbert Wiener, of the Massachusetts Institute of Technology, a man who had a very large part to play in the development of the modern computing "machines of judgment", as they are now called. In this book he has some very interesting comments to make on the effect on society of the sort of machines that are now being produced. He points out that hitherto our technological developments had been confined to replacing human muscle power, or animal muscle power, but now we are producing machines that take over many of the functions of judgment that have hitherto been exercised by human beings.

He has this to say with regard to the completely automatic production unit that he sees for the future, and he suggests that the period that will elapse between the time this book was written five years ago and the time when such completely automatic units of production will become a commonplace in American industry will be from 10 to 15 years, provided we do not get involved in a war, and provided that we survive a war. He points out that if we got engaged in a war there is no doubt whatever that we would have almost a complete automation of industry within five years, from sheer necessity. He puts the figure at about 10 to 15 years. Five of those years have now gone and he has this to say about the effects:

> I have spoken of the actuality and the imminence of this new possibility. What can we expect of its economic and social consequences? In the first place, we can expect an abrupt and final cessation of the demand for the type of factory labour performing purely repetitive tasks. In the long run, the deadly uninteresting nature of the repetitive task may make this a good thing and the source of leisure necessary for man's full cultural development. It may also produce cultural results as trivial and wasteful as the greater part of those so far obtained from the radio and the movies.

Then he has this to say:

> Let us remember that the automatic machine, whatever we think of any feelings it may have or may not have, is the precise economic equivalent of slave labour. Any labour which competes with slave labour must accept the economic conditions of slave labour. It is perfectly clear that this will produce an unemployment situation, in comparison with which the present recession and even the depression of the thirties will seem a pleasant joke. This depression will ruin many industries—possibly even the industries which have taken advantage of the new potentialities. However, there is nothing in the industrial tradition which forbids an industrialist to make a sure and quick profit, and to get out before the crash touches him personally.

I suggest, Mr. Chairman, that this is the real nature of the problem we are facing; that it is not merely a temporary displacement of labour and its reabsorption in some other part of our economy. I suggest we are facing something much more fundamental, because hitherto all our assumptions of the way in which we should operate society have been based on this, that every man has to some degree or other something of value to exchange for a livelihood. Maybe he has not very much, and he gets a very poor livelihood.

Today we can see the virtual displacement of the man who has nothing but his untrained muscular power. He is the man who lands on our relief rolls at the first touch of a recession. We are beginning to see the displacement of men with semi-skilled abilities, and now we see right in front of us the imminent certainty of the displacement of men with skilled abilities for whom there is now no opening in our industries in the production of goods and services.

I feel, Mr. Chairman, that our Department of Labour should be making a very intensive study of the possible effects of the distribution of goods and services, the distribution of wealth in this country, by the development of these new types of "machines of government", as a French scientist describes them, because it is something entirely new. It is not merely an extension of the old machines we have seen in the past, and it is literally going to bring us to the point where we will have goods produced and no one in receipt of income to consume them.

I was interested the other day to hear the hon. member for Cartier deal with this problem. He obviously realizes as well as anyone that we are faced with the danger of being strangled in the enormous volume of our own production, and our danger lies in the fact that we cannot get it distributed and consumed. His solution was that we should bring more immigrants into the country to consume the goods. That sounds like a reasonable proposition, but unfortunately there is a bit of a catch in it. There was a time when it might have been considered, shall we say, an economic nuisance that people who produced had also to consume; that we had to let the worker have a certain amount or he would die on us and would not be able to produce anything more. Today the picture is completely transformed, and it is a considerable economic nuisance to society that the

person who consumes has also to produce. The new immigrant the hon. member for Cartier wants to bring in to absorb the surplus products will, unfortunately, be obliged, by the very conditions under which we operate our society, to himself produce, and add further to the flood of goods.

No, Mr. Chairman, we are not going to find a solution to this problem by the old assumptions. We are not going to find it by the reduction of taxation, by the reduction of income tax and sales tax and exemptions from taxation to encourage new investment. We are up against a fundamental change in our society even more profound than that which began to take place 150 years ago.

I would hope to see the government provide for the Minister of Labour a considerable sum of money to enable him to do necessary research into this problem before we are flooded with a mass of unemployed for whom we have no hope and whose conditions we are unequipped to help. I see the minister smiling agreement with that. I would suggest, however, that when he undertakes this inquiry and this investigation he should not be deterred by the fact that it is going to reveal to him that the old assumptions of free enterprise have gone by the board forever.

Mr. Gregg: I was just smiling at the many demands of yesterday and today that I have the Department of Labour conduct studies on so many matters.

Mr. Hamilton (Notre Dame de Grace): I have a comparatively few words to say. Most of them will be directed to those gloom gatherers over here to my left, because some things have been said in this house in the last couple of days that display such an astonishing lack of confidence in this country of ours and this system of ours that it is about time somebody rose in his place and pointed out some of the weaknesses and fallacies in their arguments. Goodness knows, if we tried to point them all out, even those contained in the one speech we have just listened to, we would be here for the rest of the afternoon and well into the evening. I think their ideas were summed up pretty well yesterday afternoon by the hon. member for Bow River, who started the crepe-hanging procession when he said, and I quote from page 3923 of *Hansard* of May 19, as follows:

> There is only one result that will follow from the increased use and increased efficiency of machines, and that will be increased unemployment. There cannot be any other answer.

I wonder if there has ever been a more unrealistic statement made in a labour debate. Such a statement simply flies in the face of every experience we have had in the past and everything we know. I was tempted to reply to it yesterday, but I did not think that anyone could make a statement like that. I decided to wait to read *Hansard* to see whether the hon. member had said what I thought he had.

Down through history we find that the more mechanization there has been, the greater production and the more jobs there were for people. We find that the more machinery we put into use the higher our standard of living. Now the hon. member for Bow River and the hon. member for Nanaimo and goodness knows how many others down there—

Mr. Cameron (Nanaimo): May I ask the hon. member if he would consider that Dr. Norbert Wiener of the Massachusetts Institute of Technology was a crepe-hanger or would he consider that his opinion might be worth something?

An hon. Member: He would not know.

Mr. Hamilton (Notre Dame de Grace): It so happens that I have great respect for Dr. Wiener, some of whose books I have read. I also have a tendency to read all of a book and not just pick out certain words to bolster my argument.

Mr. Cameron (Nanaimo): Has the hon. member read this book?

Mr. Hamilton (Notre Dame de Grace): No.

Mr. Cameron (Nanaimo): I thought not. Have you read any of his books?

Mr. Hamilton (Notre Dame de Grace): Yes. I have heard arguments advanced by members of the C.C.F. who used quotations from a book, but then I find it best to go and read the rest of the book. Maybe that is the reason I am making the observations I am.

I can just imagine what the hon. member for Bow River would have said had he been in this house during the days when we were passing from the horse and wagon to the automobile. I can just imagine his worries about that. We were moving toward the use of modern machinery and he would have contended that that would produce unemployment. He would be concerned about those people who were making carriages and who would be thrown out of work, who could be put out on the streets to starve. I dare say that if the hon. member for Nanaimo had been in the house in those days he would have voiced the same opinion.

Of course their hindsight is much better than was their foresight. They are ready to stand up here and say that the things which have happened in the past have no relationship to those which are going to

happen in the future. In other words, they wanted to throw history out the window. Maybe that is why they are so shortsighted, in my opinion.

I suppose when the telephone first came in they might not have objected because new jobs were being created, but when they came along and proposed to use the dial telephone instead of the manual telephone they would consider that an absolute disaster. I can just imagine them making speeches about how the telephone operators would be thrown out of work with the use of the dial telephone. We all know what has happened. Telephone service became so reasonable, the use of telephones increased to such an extent that we now find that more girls are coming out of the long distance exchange in Montreal alone than were employed servicing the manual installation throughout the city.

Mr. Johnston (Bow River): How many more telephones have they now?

Mr. Hamilton (Notre Dame de Grace): They have a tremendous number more, and that is what I am telling you. The more mechanization we have, the more goods and services we have, the happier we will be and the higher will be our standard of living. I am doing my best to answer some of the observations which the hon. member made yesterday.

Mr. Johnston (Bow River): The hon. member has not answered any yet.

Mr. Hamilton (Notre Dame de Grace): I think I am making some progress toward dealing with that statement of yours.

Mr. Johnston (Bow River): What about the Conservatives?

Mr. Hamilton (Notre Dame de Grace): Apparently the hon. member for Bow River is trying to reduce this to the political level and I cannot see any point in that. The only reason why I referred to parties was primarily to locate them in the house and then, secondly, to say how I thought their party thinking was reflected so stupidly.

Mr. Johnston (Bow River): Tell that to the unemployed.

Mr. Hamilton (Notre Dame de Grace): I think we have done pretty well during the past hundred years in this country under Conservative and Liberal government. If you really want to see some unemployment—I keep getting excited and am afraid I will use terms which are unparliamentary—just put some of these crackpots down here in office and we will soon have a good example of what unemployment means.

This is something that goes back a long way in history, almost to the beginning of time. It shows how foolish, how shortsighted, how senseless these arguments are about the introduction of machinery. I think it was the hon. member for Nanaimo who said something about the effects of primitive developments of previous years. In other words, he seemed to feel that the developments which are now taking place had no counterpart in the past, that this was something vastly different from what had gone on before.

I suppose he has forgotten about such things as the steam engine which brought us from the days when people did everything with their hands, which was about all they had in those days, to the complex industrial economy we have today. I suppose he has forgotten about electric power, the conversion of water flowing down a river into energy to turn the wheels of industry. I have a hunch that he has not read history far enough back to hear about the invention of the wheel. I do not suppose that he knows that for thousands of years after the time when men stopped—I do not want to get into any Darwin-Darrow-Bryan dispute—jumping through the trees and dropped down to the ground and commenced their upward climb to where they are today they had about one method of moving things, to drag them along the ground.

Eventually man figured out that he could pull a burden up an inclined plane. Then, if these hon. members had been around thousands of years ago when someone first got the idea of the wheel I know they would have said that that was an absolutely dangerous thing because it would mean, in the case of the thousands who had been put to work building the pyramids, that only five people would be needed to pull up a piece of stone instead of 500. I can go on—

Mr. Nicholson: What about the wheelbarrow?

An hon. Member: Pick and shovel.

Mr. Hamilton (Notre Dame de Grace): I do not want to spend more time demolishing their arguments. Our ideas are shining very brightly at the moment, particularly in comparison with some of the very dull and uninteresting ones we get from all sides of this house.

An hon. Member: Where would they be?

Mr. Hamilton (Notre Dame de Grace): I love these interruptions, because they show you are making an impression.

An hon. Member: What kind of impression?

Mr. Knowles: The only relation to labour estimates is that you are labouring hard.

Mr. Hamilton (Notre Dame de Grace): There is an interesting point here they may have forgotten. From 1941 to 1951, when we saw the greatest mechanization and industrial development in this Canada of ours, we also increased our employment from 4·2 million people to 5·2 million people. That is another indication of what comes in the wake of machines. When I look at these labour problems that face us and I hear some of the suggestions that have been advanced by these brakes on the wheels of progress down there, it seems to me that they all boil down to two classes: the Social Credit group say it will all be well if we have some funny money, and the C.C.F. group say that it will all be fine if we can go in for a stiff dose of socialism rather than the pallid dose that the Liberal party are giving us at the present time.

An hon. Member: The Conservatives would have concentration camps for the unemployed. You might as well give us the whole story.

An hon. Member: What is going on here?

Mr. Gardiner: We are back in the days of Ishmael.

Mr. Hamilton (Notre Dame de Grace): I wish to point out, Mr. Chairman, that all through history the greatest progress has come—

Mr. MacDougall: Under Liberal governments.

Mr. Hamilton (Notre Dame de Grace): The greatest progress has come—

An hon. Member: In the province of Alberta through a Social Credit government.

Mr. Hamilton (Notre Dame de Grace): If I pause at the right moment I can get an interruption from every member of the house, about his own party or something of that nature.

An hon. Member: Carried.

Mr. Hamilton (Notre Dame de Grace): The greatest progress in our history has come in the last hundred years and under a system of genuine free enterprise. Too many people forget today that free enterprise has a stake in this country and in keeping people at work, and that all these peculiar ideas and untried theories which I referred to before and which I come back to—crepe-hanging prognostications—seem to assume that this country is going to hell in a handbasket, thanks to free enterprise. It simply is not so; and anybody who walks the streets of the country today can see that. Because of weaknesses, stupidity and shortsightedness on the part of the government that sits over there today, we have more unemployment than we should have. We have more problems than we should have, but it is no indication that we are going to solve them by taking people who know even less than the present government, if that is possible, and carrying out their ideas.

I wish to say, Mr. Chairman, that industry and business of this country have their biggest stake in keeping people at work and keeping their purchasing power up. Having said that, I wish to say that I have not the slightest fundamental worry about the advent of automation, the increased use of machinery and the other problems which face us. I have confidence in the businessmen of this country to find the solution to these problems.

An hon. Member: What did you do during the thirties?

Mr. Hamilton (Notre Dame de Grace): I know that these changes, which are bound to come and which we see coming, are not going to come overnight. That is the basis of all these arguments we have heard advanced in the last day and a half. They seem to think that these changes are going to come overnight. They are not going to come overnight; they are going to come gradually; and the opportunity will be given to our workers and to our people to retrain themselves, to relocate themselves and to prepare themselves for a greater economy and a higher standard of living than anything we have ever known.

Let my last sentence be that the most serious obstacle which stands in the way of our progress to bigger and better things in this country today is the crackpot theories and the peculiar ideas—

An hon. Member: Of the Conservative party.

Mr. Hamilton (Notre Dame de Grace): —which are being advanced by these two heterogeneous collections of individuals on my left and the poorly administered government of this country, for which the gentlemen who sit opposite me must take the blame.

Mr. Byrne: I had not intended to take up the time of the house this afternoon, Mr. Chairman, but after sitting here for several days listening to the various arguments on the minister's estimates, I think I should add my voice.

Some hon. members have said to me, "You are a labour man; are you not going to speak on this question?" I have answered that I do not think it is necessary on every occasion, and I cannot at this time be asking for too

much for labour after hearing the very soulful and heartrending stories of how the farmer has been faring in the last year or two. It is certainly time that we did take a look at the variation in farm income and those in industry. Farm income is steadily declining, and for that reason, as I have said, I feel that labour is faring not too badly. I note that we have had speaking this afternoon the hon. member for Broadview, an ex-brigade major and a manufacturer, certainly not in the labouring class; we have had the hon. Leader of the Opposition, P.C., Q.C., and the former president of the chamber of commerce; and we have also had speaking on this question the hon. member for Hamilton West, a P.A.

So now we come to the member for Kootenay East with "M.M." after his name, which simply stands for master mucker. I have had some connection with labour and have had calluses on my hands many times. I watched the hon. member for Broadview this afternoon using his hands to try to chop down the taxes on profits and income, and I could see the calluses plainly on the palms of his hands even at this distance. I have gone through the mill as a mucker, even up to the position of miner. "M.M." also stands for master of mineralogy. I can tell the members of the house that I do not share the anxiety of the hon. member for Nanaimo that automation or mechanization is going to do anything to injure the miners, the lumber workers or the farm workers. I did some mining and I can say with conviction that mining is really hard work.

An hon. Member: You never quite recovered from it.

Mr. Byrne: Quite obviously there is still a stoop to my back. The hon. member says I have not recovered from my efforts. That may be quite true. In the last 15 years I have seen very great changes in mining methods, and I think I can say, without being accused of bragging, that I have assisted in some ways in bringing about these improvements in methods. I can recall that not so long ago it took a crew of four miners four full shifts to drill a round in what we call chert, a very hard rock, and sometimes as high as eight shifts. The cost for labour ran as high as $50 a foot. The cost for powder and so on was of course very small, but in terms of actual labour effort and the return the cost ran into hundreds of dollars compared with the situation today. With the improvements in machines and the type of steel used, two miners today can drill the same round in four hours.

I had not intended speaking on this matter today but it so happens that only a day or two ago representatives from the miners' union were down here, and I asked them if they had any figures for last year as to the earnings of miners in the Sullivan mine. I recall that 15 years ago miners, working in the manner I have indicated and taking up to four days to drill a round, were earning about $8 a day. Mechanization has improved to the point where they can drill a round in four hours, and the figures given to me show that miners doing that particular type of work averaged up to $28 a day for the year.

That is an instance of mechanization not only making the work much easier but resulting in a great bonanza to the miners so far as remuneration for their work is concerned. To say that automation or mechanization is going to have a far-reaching ill effect is, in my opinion, simply nonsense. True, there are going to be some dislocations, but think of the people in the underdeveloped countries, such as in many parts of India, where there is no mechanization. There are beggars on the streets of the cities whose only way of making a living is to beg for 24 hours a day. The people in the rice fields sowing rice by hand are not unemployed, but I venture to say their circumstances are very much less favourable than those of any person in Canada. It is not that I do not have sympathy for those who are unemployed, but I think it is a very narrow view to take to fight mechanization and automation as the people in the textile industry did years ago in Great Britain.

Mr. Cameron (Nanaimo): May I ask the hon. member a question? I just want to get this clear. Did he have the idea I was opposing automation and this development?

Mr. Weir: That is what your speech sounded like.

Mr. Cameron (Nanaimo): I was merely pointing out it would have very serious consequences. While I am on my feet, may I ask another question? How does the number of employees today in the mine to which the hon. member referred compare with the number 15 years ago, and what has happened to those who were displaced?

Mr. Byrne: There are two questions. Dealing with the first one, I certainly felt the hon. member was facing the future with very grave misgivings because of what he termed automation or mechanization. I say he should not do that, particularly so because the ideas of a man in his position will be listened to throughout the country and if he creates an impression of fear it will do no service to the country.

The Deputy Chairman: Order. I am sorry to have to interrupt the hon. member—

Mr. Byrne: I should like to answer the second question.

The Deputy Chairman: —but it being five o'clock the house must proceed to the consideration of private and public bills.

At five o'clock the Speaker resumed the chair.

PRIVATE BILLS

COMMERCIAL TRAVELLERS' ASSOCIATION OF CANADA

Mr. E. D. Fulton (for Mr. Michener) moved the second reading of Bill No. 373, respecting the Commercial Travellers' Association of Canada.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

PETROLEUM TRANSMISSION COMPANY

Mr. F. T. Fairey (Victoria, B. C.) moved the second reading of Bill No. 374, to incorporate Petroleum Transmission Company.

Mr. Green: Mr. Speaker, would the hon. member give the house an explanation of the bill?

Mr. Fairey: The bill we are asked to approve is for the incorporation of Petroleum Transmission Company. This company is associated with Pacific Petroleum Limited, one of the pioneers if not the pioneer in oil and gas exploration in Alberta and Northern British Columbia. This company operated originally in the Turner valley field and later in the Leduc field and still later in the Redwater and other fields in Alberta. It now has substantial production of oil in Alberta from the Leduc and Redwater fields. Since 1949, the company has been particularly active in the exploration and development of oil and natural gas reserves in northern British Columbia and the adjoining areas of northwestern Alberta, particularly in that block known as the Peace river block which, as we know, comprises an area of northern Alberta and northern British Columbia lying astride the interprovincial boundary.

I have seen the operations of this company near Pouce Coupe, which as we know is very close to Dawson Creek, and also at Fort St. John, which is approximately 75 miles north of Dawson Creek on the Alaska highway. It would appear that the explorations of this company tend to move generally in a northwesterly direction towards the Northwest Territories and the Yukon. At the present time the company and its associates control approximately four million acres of proven lands for potential oil and gas development.

It is the purpose of this Petroleum Transmission Company to build what might be called a grid or collection system to collect their products from these wells which are now operating and bring the products down for delivery to the main transmission lines such as Trans-Canada or Westcoast. It is because of the success and development of northern British Columbia that it has been possible to promise the supply of natural gas to Vancouver and parts of the northwestern United States. I might say, too, that much of the gas is wet gas and the liquid by-products such as propane and butane must be collected at a central point and delivered to a transmission system.

At the moment there is no intention of building a straight transmission line but just a collection grid system. With the future development it may be necessary, and they are asking authority, to build a transmission line themselves. I believe that is about all I need to say at the moment, Mr. Speaker, as I understand this bill will go to one of the standing committees where more details can be given.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

YUKON PIPELINES LIMITED

Mr. G. J. McIlraith (Ottawa West) moved the second reading of Bill No. 375, to incorporate Yukon Pipelines Limited.

Mr. Green: Would the sponsor explain this bill?

Mr. McIlraith: It will be noted from the bill, Mr. Speaker, that the persons seeking incorporation are in the main officers of the White Pass and Yukon railway which was built at the time of the Klondike gold rush and extends from Skagway to Whitehorse, a distance of approximately 110 miles. In the year 1942 the United States army authorities built a pipe line along the railway right of way. After the end of the war the United States army continued to operate that pipe line to supply fuel oil from Skagway through Whitehorse and through a continuation of that line to their own forces in Alaska. In addition, they permitted the take-off of fuel oil at Whitehorse for Canadian needs.

Recently the United States authorities have built a pipe line from Haines, Alaska, to supply their own forces in Alaska. This new pipe line does not go through Whitehorse or the Yukon area. The agreement under which oil is taken off the line which comes over the railway route can be terminated on 30

days' notice. It is expected that when the new United States army line is brought into use, this one will be discontinued. The significance of that is that the people in the Whitehorse area and the Yukon area will be without any convenient supply of fuel oil. The incorporators are seeking authority to have a corporate capacity to negotiate to take over that pipe line if and when it is abandoned.

This bill is in the same form as other pipe line bills, but it is different in this way, that what is sought to be transported by this company is fuel oil in a refined state for use by consumers as opposed to the usual crude oil problem we have in connection with these pipe line bills. The bill itself also contains a geographical limitation to the British Columbia-Yukon area in Canada, but does contain a provision for the building of a pipe line outside of Canada. The reason for that, of course, is that the line does go through some 20 miles of Alaska. There is in the bill also a technical provision to which perhaps I should refer, and that is the power to build a line outside of Canada for the transmission of gas. This power is not limited. It would be the intention of the incorporators when the bill is in the committee stage to submit a limitation similar to the one put forward in another pipe line bill a few days ago, limiting to Canada the right to construct a pipe line for the transmission of gas.

Mr. J. A. Simmons (Yukon): It is my understanding, Mr. Speaker, that this proposed legislation is to provide a corporate vehicle for the operation as a common carrier of the existing pipe line between Skagway, Alaska, and Whitehorse, Yukon Territory. This pipe line is now owned and operated by the United States army, and is shortly to be de-activated and declared surplus. No doubt it will be disposed of through the Crown Assets Disposal Corporation.

The applicants for incorporation, as the hon. member has just said, are officers of the White Pass and Yukon Corporation Limited, who have had much experience in the operation of these facilities. I might mention also that the cheapest method of moving oil and gasoline into the Yukon Territory and surrounding area of northern British Columbia at the moment is by ocean tanker up the west coast to Skagway, Alaska, and thence by the existing four-inch pipe line through the mountains a distance of about 110 miles to Whitehorse. If this legislation is enacted it will provide for the continued operation of the existing four-inch pipe line between Skagway, Alaska, and Whitehorse, used for the transportation of fuel and diesel oil, and for the eventual construction and operation of a new pipe line between the same points for the transportation of gasoline and petroleum products.

The opening up of the pipe line as a common carrier will make it possible for any other oil company that so desires to move its products up the coast and into Whitehorse on a competitive basis. The existing pipe line between Skagway and Whitehorse runs along the White Pass and Yukon railway right of way through precipitous and difficult mountain territory, winding its way to a height of over 3,000 feet in a matter of only 18 miles, crossing mountain bridges, through tunnels and under the protection of numerous snow sheds along the railway right of way.

The White Pass and Yukon road has been intimately associated with the operation of this line from its inception. The employees of the White Pass road are fully familiar with pumping and the other operating facilities of the system and are of course completely equipped to take over its operation.

When the United States army ceases to operate the line it appears natural therefore that the White Pass and Yukon route should function in its place, in view of the fact that the installations are chiefly on the railway right of way. I am, therefore, pleased to support this bill for the reasons given.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

TRANS-PRAIRIE PIPELINES, LTD.

On the order:

Second reading of Bill No. 376 (Letter U-12 of the Senate), intituled: "An act to authorize Trans-Prairie Pipelines, Ltd., to construct, own and operate an extra-provincial pipe line".—Mr. Weaver.

Mr. W. G. Weir (Portage-Neepawa): Mr. Speaker, the hon. member for Churchill (Mr. Weaver) has asked me to move this bill a further stage, and I am very glad to do so. However, as there are two other bills of importance to those concerned, I would ask that this bill be considered at a later stage, after the others have been dealt with.

Order stands.

EQUITABLE FIRE INSURANCE COMPANY OF CANADA

Mr. Maurice Boisvert (Nicolet-Yamaska) moved the second reading of Bill No. 377, respecting Equitable Fire Insurance Company of Canada.

Mr. Green: May we have an explanation?

Mr. Boisvert: I do not think this bill requires much by way of explanation. The company-petitioner is seeking by this bill an

extension of time in order to obtain registry from the Minister of Finance. The company was incorporated a few years ago, and when it came time to transfer the assets from the provincial to the federal company, some difficulty was encountered. Therefore the company requires one more year to complete the transaction of transforming from a provincial to a federal company.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

S & M PIPELINE LIMITED

Mr. G. J. McIlraith (Ottawa West) moved the second reading of Bill No. 378, to incorporate S & M Pipeline Limited.

He said: Mr. Speaker, it will be noted that the incorporators seeking incorporation by this bill are the officers of Canadian Devonian Petroleums Limited.

In southeastern Saskatchewan there has been considerable development in oil production and oil exploration work. Canadian Devonian Petroleums Limited have producing wells in that area. The problem arises of getting that oil from the wells to a main pipe line where it will be transported to the refineries. If the bill is passed, it is the intention of the incorporators to consider as their first scheme the building of a pipe line to serve the area in which those wells are situated.

By reason of the amendment to the Pipe Lines Act in 1953, any company seeking to build a pipe line, in the event of such pipe line crossing a provincial boundary, must be incorporated by special act. It is therefore necessary for the company, by reason of that provision, to seek incorporation by special act in this instance.

It will be noted that the bill is limited to the four western provinces and the Northwest Territories. The bill provides for the construction and operation of pipe lines for both gas and oil. One of the early schemes contemplated by the company has to do with the building of a branch pipe line to serve producing lines in southeastern Saskatchewan in order to get that oil to the refinery. The provision for gas pipe lines is not limited in the bill as presented, as there is in the bill as presented authority for building gas pipe lines outside of Canada as well as in the four western provinces in Canada.

It is the intention of the incorporators, when the bill is before the committee, to submit an amendment for consideration by the committee limiting to Canada the right to build main gas lines.

[Mr. Boisvert.]

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I was glad to hear the concluding paragraph in the speech of the sponsor of the bill, because I had noted in the bill as drafted an objectionable feature, one which led to a good deal of discussion when another bill was before the committee. However, in the light of the hon. member's statement, I should think the committee would be interested in giving favourable consideration to this bill.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

TRANS-PRAIRIE PIPELINES, LTD.

Mr. W. G. Weir (for Mr. Weaver) moved the second reading of Bill No. 367, to authorize Trans-Prairie Pipelines, Ltd., to construct, own and operate an extra-provincial pipe line.

Mr. Green: Could we have an explanation?

Mr. Weir: Mr. Speaker, the situation with respect to this bill is somewhat similar to the one with which we have just dealt. The applicant, Trans-Prairie Pipelines, Ltd., was incorporated under the Companies Act of the province of Manitoba by letters patent dated August 5, 1954, for the purpose of acquiring, constructing, owning and operating oil pipe lines and gathering systems.

The applicant in particular was incorporated to acquire and operate a short pipe line and a gathering system connecting the Daly oil field near Virden in Manitoba to Cromer, a pumping station on the interprovincial pipe line, and also to construct an extension from the Daly field to the Virden Roselea and the North Virden Roselea oil fields. The extension to these latter fields was completed and put into operation late in 1954.

Portions of the present pipe line serving the Daly field were laid approximately eight miles from the Manitoba-Saskatchewan boundary.

The purpose of the present application is to secure authorization in the applicant company to extend its activities across the Manitoba-Saskatchewan boundary into southeastern Saskatchewan, as the progress of oil development in the area makes feasible the construction of pipe lines.

The applicant is particularly considering the possibility of constructing an oil pipe line to serve the Alida and Frobisher oil fields in southeastern Saskatchewan, and a possible extension from such an oil pipe line back into the province of Manitoba to serve the Tilson and Pearson oil fields in southwestern Manitoba.

As was mentioned in the discussion on the previous bill, under the Pipe Lines Act, the

applicant cannot construct or operate pipe lines crossing provincial boundaries without the authority of an act such as is asked in this instance.

I might add that the bill has been before the Senate and dealt with by the Senate committee which deals with these matters. It now comes to this house in its present form and, of course, will be submitted to a committee here, for further consideration.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, unfortunately this bill is not similar to the others which were read a second time this afternoon. If hon. members will refer to the three preceding bills, namely to incorporate Petroleum Transmission Company, to incorporate Yukon Pipelines Limited and to incorporate S & M Pipeline Limited, they will find that those bills are in the nature of charters incorporating companies.

They have extensive provisions. For example, they name the applicants for the charter; they provide for the first directors; they also regulate everything having to do with the capital stock. Then they go on to outline in detail the powers of the company which is to be incorporated by the bill, and deal with the question of loans to shareholders or directors and with the application of certain provisions of the dominion Companies Act. They also deal with the redemption or purchase for cancellation of paid up capital, and finally they deal with the paying of commission on subscription for shares, bonds, debentures and so on. In other words, they constitute the charter of the company.

On the other hand, the bill which we are now considering does not do that at all. It merely authorizes the company which has been set up under the Manitoba companies act to go into the pipe line business. If hon. members will refer to the bill they will find that there are none of these provisions that are contained in the other charters. This bill simply says that this Manitoba company has the power to construct pipe lines for both oil and gas. Nothing whatever is said about the people who are behind the bill. There are no restrictions on the capital structure of the company; there is nothing said about its powers. We have no idea what the powers of this company are. That will be contained in the papers filed in the office of the registrar of companies in Manitoba.

Nothing is said in the bill itself about where the pipe lines are to be built. Hon. members will notice that the other charters specifically set out that the pipe lines are to be built in certain parts of the country. For example, I take the S & M Pipeline Limited charter. It says that the pipe lines are to be built in the Northwest Territories and in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, and outside Canada; but in the bill we are now considering absolutely no mention is made of where the pipe lines are to go. There is nothing to show that the company will be subject to the provisions of the dominion Companies Act, to which the other companies which have been given charters must submit, and there are none of the other restrictions which are contained in these other charters.

I do not see why one group should be able to come to this house and get a bill of this kind authorizing them to do everything that the other companies can do, which have come in and told their whole story and asked for charters of which we have the details. That appears to me to be discrimination, and also it opens the door wide to companies incorporated under a provincial companies act of any province of Canada. If Trans-Prairie Pipelines, Limited, can get authority in the terms set out in this bill, then 50, 100 or 1,000 provincially incorporated companies can do the same thing.

It opens the door wide, and in my opinion breaks down the whole basis set up by the Pipe Lines Act for the chartering of companies to go into the pipe line business. This is very big business, and very important, and the companies are given very extensive rights under the Pipe Lines Act. They have power to take lands, and all that sort of thing. They are given practically as wide powers as the railways. I submit that the intention of parliament, when it passed the Pipe Lines Act, was that in each case the people who wanted to go into the pipe lines business must come to parliament and get a charter. There has been only one case in which that was not done, and I intend to refer to it in a moment or two.

The Pipe Lines Act is chapter 211 of the Revised Statutes of Canada, 1952. We find there that "company" is described as meaning:

> A person having authority under a special act to construct or operate pipe lines for the transportation of oil or gas.

A "special act" is described as meaning:

> An act of the parliament of Canada that authorizes a person named in the act to construct or operate pipe lines for the transportation of gas or oil or that is enacted with special reference to such pipe lines.

I suppose that technically the Trans-Prairie Pipelines, Limited, would be considered as a person and therefore technically this bill would come under that definition of a special act; technically getting an act through such as we are debating this afternoon might be

sufficient; but I do suggest that it would be against the whole spirit and intent of the Pipe Lines Act.

When we were discussing the amendment to the Pipe Lines Act in 1953 we were questioning the then minister of transport. I now quote from page 621 of *Hansard* of December 4, 1953, where Mr. Chevrier had this to say:

> As I understand this amendment, it is still necessary for extra-provincial or interprovincial pipe lines to seek authority from this parliament by way of a special charter in order to apply to the board of transport commissioners for its location.

This shows clearly what the minister had in mind at that time. Mind you, there is no objection to a provincial company building a pipe line within the borders of that province. If Manitoba wants to incorporate a company to build a pipe line in Manitoba, then the Pipe Lines Act of the dominion does not apply. But that is not the case here. Presumably this company has already built lines in Manitoba and now intends to cross a border—I think the hon. member said the Saskatchewan-Manitoba border. Well, they may just as well want to cross an international border so far as the Pipe Lines Act is concerned. They should come to parliament and get a full charter in the same way that the other applicants have done over the last six years. It is six years now that applicants for charters have been coming here and complying with what I suggest is the real meaning of the act.

It is true that in 1954, a little over a year ago, the Niagara Gas Transmission Limited came here with a bill of the kind we are considering today, and I presume it is because that was done that Trans-Prairie Pipelines, Limited, are asking today for the same treatment. But the conditions were entirely different when Niagara Gas Transmission Limited came to parliament. They had been incorporated under the Ontario companies act. This company was a subsidiary of the Consumers Gas Company of Toronto and the Tennessee Gas Transmission Company of the United States. The parent companies had entered into a contract under which United States gas was to be imported into the greater Toronto area and part of the transmission of that gas was to be done by Niagara Gas Transmission Company. They were to pick up the gas in the middle of the Niagara river and bring it into the city of Toronto.

There was a great deal of discussion in the house. Hon. members will remember that the whole question of our gas policy was involved. It was felt that if Niagara Gas Transmission Limited went ahead as originally planned the result would be to prevent the construction of a trans-Canada pipe line by Trans-Canada Pipe Lines Limited. In the final analysis an agreement was reached under which Trans-Canada Pipe Lines Limited built a pipe line in Canada from the middle of the Niagara river into the greater Toronto area.

There were all these special considerations behind the application for permission to Niagara Gas Transmission Limited to go into the pipe line business, but the fact that the charter was granted at that time should not establish a precedent for ordinary gas line charters. I do suggest that if this present policy is to be adopted, that is if this bill is passed by the house; if we allow these provincial companies to go into the interprovincial or international oil or gas transmission business merely by coming here and getting a bill through which permits them to go into business subject to the provisions of the Pipe Lines Act; if we are to be satisfied with a private bill of that kind, then we are opening the door wide to leaving parliament with practically no control over what such companies may do. We would be granting them the extremely wide powers contained in the Pipe Lines Act and in addition would be discriminating in a most unfair manner against Canadians who have followed the spirit and letter of the Pipe Lines Act by coming into this house with a bill which constituted a proper charter.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, in view of the fact that the sponsor of this bill is not present in the house and that the hon. member for Vancouver-Quadra (Mr. Green) has made an excellent argument as to why the bill should not be proceeded with in this form, I wonder if the hon. member for Portage-Neepawa (Mr. Weir) would recommend that the bill stand until another time. I do not think we should waste too much time debating it when the sponsor is not here. In my opinion a good case has not been made out for giving such wide powers to Trans-Prairie Pipelines, Limited, to approve the incorporation by letters patent without any more information than we have. We required the Westspur Pipe Line Company to tell us who are responsible and also something about the capital and their general plans. I wonder if the hon. member for Portage-Neepawa would indicate at this stage whether he would recommend that the bill stand until the hon. member who is sponsoring it is here to give further explanation.

Some hon. Members: Agreed.

Mr. Speaker: The hon. member has not raised this as a point of order. I suggest to

the hon. member for Mackenzie (Mr. Nicholson) that he is too late in raising this point; he should have raised it when the motion for second reading was proposed.

Mr. Weir: Mr. Speaker—

Mr. Speaker: If the hon. member speaks now he will close the debate.

Mr. Weir: I understand that the objection to this bill raised by the hon. member for Vancouver-Quadra is purely as to the form of the bill.

Mr. Green: That is right.

Mr. Weir: Does the hon. member feel that that matter could be straightened out when the bill got to the committee?

Mr. Green: If it could be I think that would be perfectly satisfactory. There is only one of the usual sections in this bill, but if ten other sections could be added, provided that could be done, that would be perfectly satisfactory.

Mr. Weir: Perhaps it might be better if someone moved the adjournment of the debate.

On motion of Mr. Dickey the debate was adjourned.

SENATE AND HOUSE OF COMMONS ACT

AMENDMENT RESPECTING ELIGIBILITY OF CABINET MINISTERS

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 379, to amend the Senate and House of Commons Act.

He said: Mr. Speaker, the first comment I wish to make in moving the second reading of this bill is that I do so because of an interest in the principle raised by this bill. It would be useless for me to deny, even if I wanted to, that recent events have played some part in my bringing this legislation before the House of Commons at the present time. Nevertheless, my interest is not in any particular personality that might be involved but rather in a principle which has concerned this parliament and other parliaments for a great many years. That principle is set out in the question: should a cabinet minister at the same time be a director of a private company?

My interest in this question did not begin only two or three weeks ago. As a matter of fact when I first came to parliament in 1942 I was concerned to discover that it was not an absolute rule that a minister give up his directorships when he joins the cabinet. Accordingly, in an effort to draw attention to this fact and thereby to suggest, at least indirectly, that such a rule should be laid down, I have placed questions on the order paper of the House of Commons on at least three occasions. The first time I put those questions on the order paper, they were answered by sessional paper No. 296-A which was tabled in the House of Commons on June 5, 1943. That shows an interest of mine dating back some 12 years. The second time was a few years later when a sessional paper was tabled in response to certain similar questions of mine; this one was sessional paper No. 160-D, which was tabled on February 11, 1948. More recently I placed another set of questions on the order paper which was answered by sessional paper No. 173-A, tabled on April 8, 1954. I shall have occasion in the course of my remarks to refer to some of the information contained in these sessional papers, but I wanted to make it clear at the outset that my interest in this question is one of long standing.

I should like also to remind hon. members that this matter has been discussed in the Canadian House of Commons on quite a number of occasions. On most of those occasions the discussion has arisen out of some other matter, but on at least two occasions the matter was discussed on substantive motions. The first of those two occasions was in 1921, when Mr. A. R. McMaster introduced a bill to amend the Senate and House of Commons Act which was designed to have the same effect that my bill has at the present time. As that bill did not pass, I have not yet been able to find a copy of it, so I do not know whether my bill is exactly the same as that one.

Mr. Harris: It is not.

Mr. Knowles: At any rate the description of the bill which can be found in *Hansard* during the course of the discussion of the bill suggests that there is a striking similarity between Mr. McMaster's bill of 1921 and my bill of 1955. The second major debate on this matter was in 1922. Again it was Mr. McMaster who initiated the debate, but on that occasion it was on a private member's resolution rather than on a bill.

I invite hon. members to look at the debates of those two years of 1921 and 1922. They will find some very interesting reading. Hon. members will recall that in 1921 the Conservatives were in power and Mr. King was the leader of the Liberal opposition. Mr. McMaster, who introduced the bill, was a Liberal and had played a very prominent part in the party; indeed I find he played a prominent part in the Liberal convention of

1919. He was very close to Mr. King, and I would point out that in 1921 he had Mr. King's support on his bill. That support was indicated by interjections by Mr. King in the debate and it was also indicated in a very concrete way by the vote which is recorded on page 665 of *Hansard* for March 8, 1921. It is always interesting to us who are now members of the House of Commons to look back over some of these ancient records and find there the names of great men of days gone by. Actually, the only person who is today a member of the House of Commons and who voted on that occasion is one whose name I am happy to mention, even though I do not agree with the way that he voted, because this gives me the opportunity to say how sorry all of us were to learn of the illness of the hon. member for Grenville-Dundas (Mr. Casselman) and how pleased we have been to learn that he is making good progress. The hon. member for Grenville-Dundas was, as I say, the only present member who voted on that occasion. He happened to vote against the bill.

But one other member who is still a member of the house, although he did not record his vote on that occasion, was present, because he indicated that he was paired. In this instance I refer to the hon. member for Quebec South (Mr. Power) who said he was paired with the then junior member for Cape Breton South and Richmond (Mr. R. H. Butts). The hon. member said that had he voted, he would have voted against the bill. In other words, the hon. member for Quebec South disagreed with Mr. McMaster, the sponsor of the bill, and he disagreed with his leader, Mr. Mackenzie King, on that occasion. Indeed it was not the only occasion when there was a difference of opinion between Mr. King and the hon. member for Quebec South. I find that Mr. Lapointe, the father of the present Minister of Veterans Affairs (Mr. Lapointe), and late minister of justice, was present on that occasion and along with Mr. King voted for this bill of Mr. McMaster's which would have had the effect of amending the Senate and House of Commons Act so as to prevent cabinet ministers from holding directorships in private firms.

Mr. McIvor: They were then in opposition.

Mr. Knowles: The hon. member for Fort William is helping me out or anticipating what I am coming to. He says that they were then in opposition. He probably knows that when in 1922 these gentlemen crossed to the other side of the house they sang a different song. There is another name that interests me as I look over this list. I find that in 1921 there was a member for the north riding of Oxford by the name of Mr. Nesbitt. He was a Conservative member of the House of Commons at that time, and he voted against the bill. That name suggested to me that there might be some relationship between him and the present member for Oxford (Mr. Nesbitt). So I looked up the present Parliamentary Guide and I found that the present member for Oxford is a grandnephew of the Mr. Nesbitt who was the member for North Oxford in 1921. I hope the present member for Oxford will redeem the family name when the vote is called on this bill.

I invite members to look over this debate. As I say, it was introduced from the Liberal side of the house and very strong and cogent speeches were made by Mr. McMaster and others. Let me read one or two quotations from the speech of Mr. McMaster. I turn first of all to page 586 of *Hansard* of March 4, 1921:

> I say that no man who is a minister of the Crown in this country has any time left to fulfil the duties of a director. That is my first proposition, and I think it is a proposition which will appeal as a reasonable one to members of this house. We have the best of authority for the statement that no man can serve two masters. Either he will have to neglect his duty as a minister or he will have to neglect his duty as a director, if he holds both positions at one and the same time.

On page 587 Mr. McMaster is recorded as having said:

> Now, we should be, and I trust we all are, jealous for the good name of this House. We are told by authority, almost as great as the authority I have just quoted, that we are to "abstain from the very appearance of evil". Years ago Tennyson wrote about "the fierce light that beats upon the Throne".
>
> Well, I do not think that light is comparable to the fierce light that beats upon men who enter parliament at this time of the world's history. I do not think that I am using the language of extravagance when I say that all governmental institutions are on trial and are being subjected to criticism which is not only strong but often bitter and often unjust.

That was not said yesterday, although it might have been. It was said 34 years ago by the sponsor of a bill similar to the one now before the house. I could go on with excerpts from the debate of March, 1921, but I will not take the time of the house to do so. I invite hon. members who are interested to get that volume of *Hansard* and read it. It is very interesting and very informative.

As the hon. member for Fort William (Mr. McIvor) has invited me to inform the house, the next year the large number of Liberals who had voted for the bill when they were in opposition sang a different song when they were on the government side of the house. There was still one Liberal of course who

adhered to the principle that cabinet ministers should not be directors of private companies, namely Mr. McMaster, who himself introduced the resolution in 1922. It was a lengthy resolution.

Mr. Macdonnell: Was he the only one?

Mr. Knowles: The only Liberal who stuck by his guns? I am sorry, I have not yet taken the time to check all of the 59 who voted for Mr. McMaster's resolution in 1922 to determine whether any other of the 59 was a Liberal. Most of them appear to have been Progressives who had come into the house, together with men like Mr. Woodsworth and others. Mr. McMaster was amongst those who voted for the resolution in 1922. Mr. King and Mr. Lapointe voted against it that year. If I may offer this little bit to please the hon. member who has asked the question, I might say that the gentleman whose name I had occasion to mention yesterday was at least consistent. He voted against the proposition on both occasions. I refer to Arthur Meighen. He voted against the bill in 1921 and he voted against the resolution in 1922.

Mr. King had quite a time, as one would imagine, trying to explain why he took a different position in 1922 from that which he had taken in 1921. The gist of his argument was that he was now prime minister, that he now had about him some men in whom he had great confidence, and he just felt differently about the matter. After all, he even pleaded youth. He felt if he waited until he was an old man he might then tell the younger men in his cabinet what to do, but as long as he was just a young man that was not what he felt he should do. In fact, as found at page 1103 of *Hansard* for April 24, 1922, he said—

Mr. Macdonnell: Were they to be the keepers of their own consciences just like today?

Mr. Knowles: I leave that for others to interpret, although I may come to it later. As reported at page 1103 of *Hansard* for April 24, 1922, Mr. King said:

> There are times and places for everything. I have spoken of the Gladstone, the Campbell-Bannerman and, if you will, the Asquith tradition. May I remind my hon. friend that it was 1868 when Mr. Gladstone first became prime minister of England. He was then 59 years of age, and had had a long parliamentary experience. It was not until 1892, a quarter of a century afterwards, when he was past 80 years of age, that Mr. Gladstone sought to impose any self-denying ordinances upon his colleagues. If my hon. friend will give me time, and the occasion demands it, I shall be glad to follow the Gladstonian tradition.

That, Mr. Speaker, is just one quotation I have picked out from the interesting and much longer debate that took place in 1922 when, as I say, the resolution was defeated. I have already indicated it had the support of Mr. McMaster, the Liberal who had proposed the legislation the year before. It had the spoken support and the vote of my predecessor as the member for Winnipeg North Centre, Mr. J. S. Woodsworth, and the other Labour and Progressive members who were in the house. Some others among the 59 may have been Liberals or Conservatives. I have not been able to check all the names.

At any rate, Mr. Speaker, I think this does establish the point I made at the outset, that this is not an issue that has arisen to disturb the minds of public men or to disturb the writers of editorials in newspapers only in recent days or weeks. It is something that has been a cause for concern across a great many years, and I feel it is a matter of principle. I freely admit some things that have happened recently have brought the question out into the open and have attracted public interest to it, but I raise it as a matter of principle which I feel should concern the House of Commons.

Someone is going to say I am talking out my own bill. I regard the bill as too important to try to rush. There is more I want to say than can be said in the time remaining before six o'clock, so that in just a moment, Mr. Speaker, I shall be adjourning the debate. The next time we come to this matter I hope to have something to say about the practice followed in the United Kingdom. I shall make reference to something that happened recently in the United States. I shall also cite the Canadian practice in terms of what our prime ministers have done about the matter across the years, particularly from Sir Wilfrid Laurier's time to the present. I shall also deal with the arguments that have been advanced against my proposal such as the argument that it is something to be left to the conscience of individual ministers, and so on. That is a preview of what I will say when I get the chance to continue my remarks. In the meantime I hope all hon. members will recognize that this matter involves a very important principle, and I hope very serious attention will be given to it. On that basis, Mr. Speaker, I should like to move the adjournment of the debate.

On motion of Mr. Knowles the debate was adjourned.

Mr. Speaker: At eight o'clock the house will revert to consideration of the business that was interrupted at five o'clock. Since the business then is to be in committee of supply, would the house agree that I do now

leave the chair and let the chairman call it six o'clock from the committee?

Mr. Knowles: By leave.

SUPPLY

The house in committee of supply, Mr. Applewhaite in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

DEPARTMENT OF LABOUR

173. Departmental administration, $685,605.

Mr. Byrne: The interruption in my discussion has allowed me an opportunity, which normally I would not have had, Mr. Chairman, to rectify something in the early part of my speech. Evidently I have left the impression that miners are not working under arduous conditions these days, but that is not the impression I wanted to give to this house at all. I simply wanted to show that with the improvements in methods, material and equipment, and by extra effort a great showing was accruing to the industry. I did not want to create the impression that there have been only one or two improvements in the mining industry. The instance that I cited is general throughout the entire industry so that almost every type of employee working underground on production in the particular mine to which I referred receives pay ranging from an average of $20 per day to the $27 that I mentioned.

Mr. Gillis: You are talking about the metal mining industry.

Mr. Byrne: The base metal mining industry. Production has certainly increased. I believe it would be correct to say that, despite these improvements in income, the actual cost of production has not increased. A ton of ore is being produced just as cheaply today as it was 10 years ago.

Mr. Barnett: Would the hon. member permit a question?

Mr. Byrne: I have not as yet answered the question asked by the hon. member for Nanaimo. After answering that, I would be pleased to take another question from the hon. member for Comox-Alberni.

The hon. member for Nanaimo asked what had become of the miners who were displaced, and how many were displaced by these improvements in machinery and methods. As I said, I had not intended to make any contribution to this debate so I do not have the actual figures. However, for a few months each year I work in the mine and I am fairly well acquainted with what has taken place. I would think that the actual labour force underground has been reduced by 75 to 100 men. This mechanization and improvement in methods has provided an opportunity for the mining company to work a very low grade of ore. I am not a mining engineer, so I cannot say exactly what the savings have been. I know they are able to mine a very low grade ore and for that reason there has been a certain measure of conservation. This has prolonged the life of a mine around which a large community has been built up and, in fact, up to very recently the community has been almost a single industry community.

In addition the same company, using these improved mining methods, has opened two additional mines. One I believe is producing up to 600 tons a day and the other one, which will be in production this year, will be producing around 500 tons. About 500 miners have been absorbed and employees from other areas have been engaged. At the Sullivan mine, where the original operations are located, a fertilizer industry has been introduced. A number of men from the mine have been re-employed, and I might say retrained, for the operation of the fertilizer plant. All in all, therefore, there has not been any grave dislocation of the men in the industry, and I can assure you that they are enjoying a considerably better standard of living. I appreciate the fact that it is not good enough, but as I said earlier I have no fear of improved methods and automation.

Mr. Barnett: Would the hon. member permit my question now?

Mr. Byrne: Yes.

Mr. Barnett: I was wondering if the hon. member would care to relate the purchasing power of the wage rates which he cited the miners as receiving today to the purchasing power of the $8 per day he cited them as having received a number of years ago?

Mr. Byrne: Well, the hon. member's interjection has given me an opportunity to say again that this rate is the result of a contract system. The base rate would be $14 and some workers would go as high as $27 worked out between the company and union. Where the base rate is $13.59, the earnings go up as high as $20 per day. As to the value of the dollar compared with 15 or 20 years ago, I believe the hon. member is as well informed as anyone, and has probably done more research on the question because I understand he prepared himself for a speech on this question. I believe the generally accepted figure is about 50 cents on the dollar.

I said the original earnings were around $8 and if you double that they would be $16.

It is not every worker who would receive the $27, but there are people who are earning $27 per day. It is interesting to note that even during the time when the United States authorities seemed insistent upon a higher tariff on lead and zinc, there was no great concern. I feel that Consolidated would have survived that while some of the other companies would perhaps have gone under. There is no reason to believe that these improvements are not real. As I say, the hon. member can relate the actual value of the dollar as he wishes, but I would point out to him also that the miners are working a 40-hour week. They have more leisure time to spend fishing and so on and other pursuits.

However, I am being diverted from the point. I was going to say that the Minister of Labour should not be held entirely responsible for the unemployment we have today. There are many other factors, and the minister's job is more the finding of a solution, the administration of the labour code, unemployment insurance and so forth. However, in my view the Department of Trade and Commerce, the Department of Agriculture and the Department of Finance have more important duties in maintaining balance in the economy.

Some hon. members have referred to the fact of the Prime Minister's stepping in at the time of the threatened railway strike in 1954, and have said that his efforts to bring the union and the railways together in an agreement reached the point of compulsory arbitration. They have also referred to the fact that at the time of the railway strike in 1950 the unions were forced to arbitrate with management in the settlement of their dispute.

I have some misgivings about the trend in this particular; but I think we must remember that employees in the transportation industry are in a different position from those who are working for industries in which prices and rates are allowed some measure of flexibility. When railway employees request wage increases, then whether we like it or not there arises the necessity for an adjustment in freight rates. Otherwise it seems almost impossible to increase wages. There is a measure of control by parliament over freight rates in Canada. Although that control is not completely rigid, when increases are authorized by the board of transport commissioners we hear a hue and cry in the House of Commons. For that reason freight rates are influenced by the action of parliament, and in this way there is not the same measure of flexibility in negotiations between railway employees and management. We should keep this in mind, and try to work out some method of settlement of disputes so that there would be an understanding that, when necessary, rates would have to be increased.

Railway workers should not be expected to subsidize other industries as, in my opinion, they have done in the past. The hon. member for Prince Albert pointed out that high freight rates had caused a certain pulp company to which he referred to abandon plans to establish in northern Saskatchewan. Therefore high freight rates was one of the reasons for unemployment. However, the hon. member must know as well as anyone else that freight rates for export wheat from the prairies are set at a figure that was considered adequate in 1897, and the railways are still required to carry export wheat at those rates.

I have advocated a better way of providing for this discrepancy, by way of a subsidy paid by all Canada. To this point however I have not received much support. But when this very large amount of freight must be carried at a very low rate, some other commodify must pay the shot, with the result that freight rates make impossible the development of other new industries.

However, these are some of the conditions we must face. Simply to say in the House of Commons that freight rates are to blame for many of our difficulties, and simply to blame the minister for unemployment, is just not facing up to the facts.

I believe, Mr. Chairman, that is all I have to say at the moment.

Mr. Low: Mr. Chairman, the debate on the first item of labour estimates has been somewhat long.

An hon. Member: Too long.

Mr. Low: There are some who think it has been too long, but I am not one who feels that way about it. I think the discussion has been well worth while, every bit of it—even the speech made this afternoon by the hon. member for Notre Dame de Grace. Because while it was completely barren of ideas, and while the hon. member showed an utter bankruptcy of intellect with respect to matters we are facing, it did issue a challenge which ought to be taken up by hon. members who are trying to face these issues. Therefore I believe the debate has been exceedingly valuable.

In the course of the past two days a number of speeches have been made indicating just how seriously some members have been thinking, and how they have studied this matter. Also it seems to me some speeches have been given which show how completely at

sea so many members seem to be when faced with the challenging problems of today, particularly those related to unemployment and distribution.

I pause here for a moment to pay tribute to the Minister of Labour. Over the years, since I came to the House of Commons, and since he came as Minister of Labour, I have observed his work. I think he takes it seriously. I have never yet taken a problem to him without receiving his help, nor has there been any time when I have gone to him with a problem when he has not tried to find some equitable solution. Therefore I believe he is doing a good job in his department. I have nothing but sympathy and understanding for him in the work he is doing; and I do not think it is going to help him or anybody else to solve the problems of his department by simply trying to throw on him the blame for any situation —or, for that matter, on any one member of the government. Out of the sensible discussion that can and should take place in this forum of the people can come solutions, if we are ready to seek that which is right instead of standing here day after day and taking so much time to prove who is right or who is wrong.

Therefore I hope we will bear with the minister and try to give him some help. That is why I have felt like saying to him that I feel the discussion thus far has been good because a number of positive and forward looking proposals have been made. The members have asked him to give careful study and consideration to things which they hope will be solutions to the problems we face.

I have been interested in labour problems for many years. I might tell the minister that it was because I started studying problems relating to employment and recurring recessions that I was led into the Social Credit movement. I felt as I now feel that we had, if not a complete and full solution, certainly elements of solution which, if applied, will go a long way toward reaching a satisfactory solution. We are living in a most interesting and challenging time. We are living in a time, as has already been pointed out, of a rapid expansion of the use of automatic machinery in the productive enterprises. A good deal has been said about automation in this debate, not, I feel sure, in any way that would justify any reasonable member referring to it as a spread of gloom or blue ruin.

In his speech yesterday, the hon. member for Prince Albert, in referring to mechanization, said, not in exactly these words, but I think I got the sense of what he did say, that if any generation fears mechanization because they think that it will throw too many people out of work, the next generation finds that mechanization has tended to expand employment and to bring a higher standard of living. Well, that might be so, but I point out to him, and those who think as he does, that the second generation found that it was pretty slim going while the first one was passing away; and during the time that they were doing little or nothing to find a solution to the maladjustments that came as a consequence of mechanization, people—and my sympathies are with them—were the victims of, what shall I call it, a futile effort, if you want to call it that, or an attempt to find a satisfactory solution.

I am not for one moment saying that eventually we do not find a solution in answer to the problem, but I do not believe it is necessary to allow human suffering to continue as it has been allowed to continue over so many years at times in the past. If human ingenuity, brains and willingness to face facts were applied sensibly to the problems we would not have a lot of people suffer very long; they would not have to remain hungry very long in the midst of abundance; but it is just that attitude, that everybody who puts forward an idea is a crackpot, that causes a continuation of human suffering. Anybody who disagrees with me and does not go along with the idea of laissez-faire is a crackpot. I am sorry to say that the hon. member for Notre Dame de Grace, who I am glad to see is in his seat tonight, feels that way. His whole talk this afternoon was nothing but that, and I am very sorry to see those ideas put forward in this day of all days when the lessons of economics and of human suffering should have borne in upon him, as on us all. What solutions are possible, and how should we set about to find them?

As I say, it might possibly be that the second generation after the one that fears mechanization might find a solution. But the second generations did discover, I am quite sure of that, in every case that they required an adjustment of thinking. It required new ideas and fresh approaches to social and economic behaviour and attitudes, and then changes for the better came.

The hon. member for Notre Dame de Grace says all you have to do is have faith. If that is all it takes to bring adjustments, then we should have had adjustments a long time ago, because we all have faith. We do not lack faith over here any more than you do. I just remind the hon. member that faith without works is dead. What we stand for is

faith with works, and intelligent works, at that, and a little bit of courage and vision and a little less of this silly business of calling other people crackpots because they come up with ideas. If you are going to discourage anybody who comes forward with a new idea by saying that he is imbued with the idea of funny money, well, for goodness' sake, how far are you going to get?

I heard the hon. member for Notre Dame de Grace described this afternoon as an innocent abroad. Well, bless my soul, I hope there are not too many innocents abroad, if we are seriously and earnestly trying to find some way to cure the problem of unemployment. I am not going to indulge in name-calling because I do not think it helps; but he particularly engaged in ridicule and referred once or twice to the crackpots in this corner of the house.

Mr. McIvor: Will the hon. member permit a question?

Mr. Low: Yes, indeed.

Mr. McIvor: We should have a definition of "crackpot" to know whether it is parliamentary or not.

Mr. Low: Yes. I am not quibbling about it; it does not matter to me what it means at all. If by crackpot the hon. member for Notre Dame de Grace and others like him mean someone who is really and seriously trying to find solutions to problems, I shall gladly take the name of crackpot.

The hon. member made special reference to my colleague, the hon. member for Bow River, and to what he said in this debate yesterday. He referred to him as a crepe-hanger and a crackpot. The hon. member for Notre Dame de Grace mentioned how senseless those arguments are about the results of the introduction of machines. Well, now, I took the trouble to look up what my colleague, the hon. member for Bow River, did say, and for the life of me I cannot understand how the hon. member for Notre Dame de Grace reached the interpretation he did. I want to quote from page 3923 of *Hansard*, to show what the hon. member for Bow River did say:

> I am not one who would suggest for a moment that we should decrease the use of machines in order to keep people at work. I do not think that is the purpose of civilization. I believe we should increase the use of the most technical machines to the point where, if the whole operation can be performed by pushing one button, so much the better.

I do not see anything to suggest crepe-hanging about that, or blue ruin. Bless my soul, that looks as though my hon. friend is not a bit afraid of mechanization or automation, as it has been so often referred to here. The whole vein of my hon. friend's speech yesterday was like that. Therefore, I say it is hard for me to understand how the hon. member could possibly get from what the hon. member for Bow River said yesterday the interpretation that he tried to put upon it today; and yet my hon. friend did ridicule all of us in this corner, including the C.C.F. group. He called us crackpots, and he said that it would be swell if you have some funny money.

My hon. friend says that he has done some studying—perhaps he has. I would not deny that; but I shall take just a few moments to refer to the question of unemployment which we are discussing, and mechanization. I am going to take him back briefly through a little bit of history that he should have studied before he spoke this afternoon, because I think it will do him good to face facts which he did not face when he rose to his feet. Perhaps he did not think too much when he was on his feet today. Perhaps that is his trouble. Sometimes people's minds are so linked up that when they stand up the mind will not work. It is like that old steamboat that used to ply up and down the Mississippi in Lincoln's time. The stern wheel that drove it was so linked up with the whistle that when they blew the whistle the boat stopped. Compare that with the situation here.

Mr. Gillis: He may be a sternwheeler.

Mr. Low: He probably is a sternwheeler.

Mr. Fulton: My hon. friend blows the whistle and goes straight ahead.

Mr. Low: That speech this afternoon was entirely a sternwheel speech. As I said, I should like to take the hon. member back through a little history which I am sure he would like to forget. I would like to refer for a few minutes to the labour and unemployment situation which existed during the Conservative regime of 1930-35. I am going to admit right off that in 1930 the Conservative government did inherit from the Liberal regime a very serious unemployment and recession problem.

There is no question about that. But they faced their responsibility with what policy? Just what was their policy? Was it automation? Was it progression? Was there a real effort to find a solution? I think I can describe their policy with regard to employment during the depression by saying that it was a case of push the steam shovel into the bush, bring out the wheelbarrows and shovels, put the unemployed into isolated camps and pay them 20 cents a day for digging a hole in one place and filling up a hole in another.

That was the kind of thing they offered to the people of Canada as a solution for the depression and unemployment problem. A serious situation developed over the years. The prices of primary products declined to a disastrous level and huge piles of products came into being. But many people who wanted those products found that they could not get them because they did not have purchasing power in their pockets and did not seem able to get any.

Every time anybody said to the Conservative government, "Why don't you get some purchasing power in circulation to start the wheels of industry going again?" the answer he got was, "There is not any money". They kept on saying that all through their regime up to 1935 when they were pitched out by the people of Canada largely because they had not found a solution or begun to find a solution for the unemployment problem.

The provinces tried in every way to persuade the Conservative government to do something to start the wheels of industry turning again so that salaries and wages would flow into the pockets of consumers. We felt that that was the answer. I was associated with a provincial government in those days and I know the problems we faced. I know how difficult it was to get the government down here moving on any project because the only answer we could get was, "There is no money". No matter how much we tried to show them how money could be obtained the answer always was that no money could be obtained.

I should like to refer to a specific instance and I do this for the edification of the hon. member from Montreal. I am not angry with him, not for a minute, but I think it would be a good thing to take his pants off and let him wander around here without them for a little while. I was living in Raymond in southern Alberta when the Conservative regime first came to power in 1930 and we went into the very serious part of the depression.

I was a teacher in the high school along with the hon. member for Lethbridge. We went through the whole of that year without having one five-cent piece by way of salary from our school board. I do not know just how we lived. There were plenty of goods and services but we could not get at them because we did not have money. We had to resort to a whole lot of things such as raising gardens, marketing eggs, borrowing milk from farmers and all that sort of thing. It is true we got along, and perhaps in some respects we were the healthiest, fattest and nakedest people in the world. But I want to tell you right now that it was tough going and I would not like to have to go through it again. I would not want my son to have to go through such a thing.

The school district could not pay our salaries because they discovered they owed the bank $67,000. They could not pay because they could not collect their taxes and the arrears of taxes had been hypothecated to the bank. Then the bank said, "No more". You could not blame them under the circumstances, but when they said "No more" we faced the problem of keeping the school running with 700 children and 18 or 20 teachers with no money available.

That was quite a problem but the people faced up to it and I think with some vision. I am wondering what the hon. member for Notre Dame de Grace and his party would have done under the circumstances. Here is what we did. We realized that the goods and services were there in abundance in the community; we realized there were people willing to work, willing to apply their efforts to making more goods from the raw materials; prepared to give their efforts in distributing what was already in existence. We realized there were people prepared to teach the schools, to work for the city, to continue to give their services provided they could get goods in return. Willing workers and goods and services were available. The only thing that we needed was tickets of claim. Instead of sitting there wringing our hands, waiting for the next generation to solve the problem—

Mr. Blackmore: Like the Conservatives.

Mr. Low: —we had the faith of work. What did we do? We simply went to the town hall and had a chat with the mayor, the council and the secretary treasurer of the town who was a pretty forward-looking fellow. We said to him, "We will be prepared to continue teaching your school provided you will issue some tickets of your own; if you cannot get money at least you can provide some intermediary in the way of tickets or scrip."

They went to the Raymond *Recorder* and gave them a job of printing those tickets, which read, "The town of Raymond will pay to the bearer on demand $10 toward taxes, light rates or water rates." Those were handed out to us in payment for our services. We took them to the local storekeepers, the coal people and others, and said, "Will you accept these things in return for groceries and other things we need." They said, "What good are they?" "Well, you can take them to the town hall and pay your taxes with them; you can exchange them for your water rates; you can buy sugar with them from the sugar factory." We had arranged with the sugar

factory to accept them in payment for sugar and also with the coal men to accept them for coal.

When these storekeepers saw that it was possible to get these things they said, "Certainly, we will accept them." What happened? When they made a sale for one of these $20 or $10 pieces of scrip, quite often they had to make change in cash which began to dry up their scarce supply. So they went to the aluminum company and had them punch out aluminum disks saying, "We will pay to the bearer on demand 50 cents in groceries", or in hardware and so on. They passed those out. So with a pocket on one side filled with paper and a pocket on the other side filled with aluminum disks we walked the streets and were happy.

We even went so far as to establish foreign trade relations with Lethbridge twenty miles away. It was not very long until the stores, dealers and even the restaurants in Lethbridge and other places were accepting Raymond scrip because they knew they could exchange it for sugar from our town, for eggs, for butter and that sort of thing that came from the farmers in our district. They had no trouble over them. I remember the time when they gave me my first salary in over a year in this scrip. My wife and I went on a real tear. We went into the city of Lethbridge, 15 or 20 miles away, and proceeded to go to a picture show and go to the Greek restaurant for a meal—the first time we had been able to do such a horrible thing for well over a year. How joyful everyone was when goods began flowing in!

The upshot of it was that Raymond and district became a veritable oasis in an economic desert. All the teachers wanted to go to teach in Raymond because at least they were getting something with which to buy goods. This went on for several years. Let me first tell you that the only ones in the district who were not happy were the bankers, who sat in their offices and saw business bypass them and go to the town hall, which became the banker. All we did was recognize that the goods and services were there, that willing people were there and the consumers were there. The only thing that was not there was the tickets to claim those goods. We said that, if the country would not do something about it, this district would do something on its own and provide its own tickets. So tickets were distributed for services rendered and the goods were automatically distributed.

I cite that for my hon. friend and his colleagues who think as he does, to show them that it takes a good deal more than just faith to move goods, as it takes more than faith to move mountains, but you will move mountains of goods if you use good sense as well as good faith. I would not advocate for one second that the same kind of process that was used in the town of Raymond be used in every community in Canada, but what I do point out to my hon. friend and his colleagues is this. The principle of what was done in the town of Raymond could have been applied on a national scale by the Conservative government with the same result that we had in the town of Raymond, but they did not have the imagination or the courage. They had the Bank of Canada, and they could have used it. The whole trouble was that they were going to sit there and let faith do the job, and faith just did not do it. As a consequence people suffered.

We have demonstrated without doubt that the ideas we put forward are not new and untried ideas; they are not crackpot ideas; they are ideas that have succeeded. Believe me—I point this out to my hon. friend—they have succeeded so well and we were getting along so beautifully in that district that a nurse in the city of Calgary, 170 miles away, a nurse we had never heard of, went to the courts and took out an injunction against the town of Raymond to prevent it from using its own form of purchasing power.

An hon. Member: Funny money.

Mr. Low: It was not the nurse who was interested in it. There were men who were hiding behind a woman's skirts, as they often do—people who saw in what we were doing a danger to their best vested interests. That is what was happening. As I said, it was only the bankers of the day who were unhappy about the situation. Yet, I say, a representative of a do-nothing party now stands up in this house and has the temerity to call the Social Credit group crepe-hanging prognosticators. Some of us have made a deep and realistic study in connection with the increasing use of automatic machinery to replace manpower in the chores of production. I am sure my hon. friend from Notre Dame de Grace will admit that the use of automatic machines does make it possible to produce things faster and cheaper than ever before. If he does not, he had better do some more reading, because that is the effect of it.

Now, what happens when, through the use of automation, things are produced faster and cheaper than ever before? It was that very question which I faced at university when I came face to face with the Social Credit solution. I was working on a project that had been given to me by the professor of economics at that school. This was the project. I saw some possibility through my

studies that the frequency of major depressions was accelerated by the increase in the speed with which things could be produced. So the professor suggested to me carrying on some studies in this respect. In the course of my studies I discovered this when I developed two graphs. One graph that I drew, based on exactly historical fact, indicated the space in years between major depressions. Then I superimposed upon that graph another one indicating the results of scientific studies with respect to the increase in percentage in the productive capacity of the economy through mechanization.

I was surprised, and so was my professor, to find that as the speed of production increased the time between major depressions in years declined almost exactly in inverse ratio, indicating that as we increase our speed of production we find it much more difficult to distribute the abundance that we can produce. I sought for and discovered this, which my hon. friend ought to discover in his reading: that the process of producing goods and services today, especially through the use of machinery, does not succeed in distributing salaries and wages, dividends and profits and compensation in all forms of purchasing power in sufficient quantities to enable the people to buy back what they have produced. As a consequence, gradually surpluses pile up, and when those surpluses have piled up to a certain point and big inventories have accumulated, the wheels of industry stop. When the wheels of industry stop people are thrown out of work, there are less salaries and wages to distribute, and as a result we fall into a depression. We do not get out of a depression until we take corrective action of some sort. Thus far, I point out to my hon. friend, the only way we have pulled out of major depressions in the past—that is, really major depressions—has been through war. That is the only way we got out of the depression of the thirties. We came out of it as a consequence of war and producing things for war purposes. During that wartime fully a third of all we produced, the top third, was skimmed off and sent abroad and given away as gifts to our enemies. We prayed that they would not send it back in the forms in which they wanted to send it. We also must remember that the purchasing power generated in producing those goods remained at home.

My hon. friend ought to take note of these things and do a little careful study.

Let me just point out briefly, in closing, something that my hon. friend should also have kept in mind. I have said a good deal about the period of the Conservative regime from 1930 to 1935, during which little or nothing was done to haul us out of a depression. Now let me remind him of some of the things that have been done since. I have already pointed out that the war had done more than anything else to bring us out of the depression and restore purchasing power. I certainly decry the idea of waiting for wars to bring us out, but that is what will have to happen if we have many people with the mentality of my hon. friend from Notre Dame de Grace, because he will wait for the war.

We will never pull out any other way with his scheme of laissez faire. What else happened? What happened was that a very astute politician who used to sit across from us on this side of the house listened to this talk, listened to these ideas that were being put forward by those whom my hon. friend calls crackpots and said: There is something politically worth while in this. What did he do? He said: When these two million people who are now engaged in military effort come back and are rehabilitated into civil life and productive effort in Canada, what in the world are we going to do with all the production? We have not been able to any more than distribute what we have produced during the war without these two million.

He recognized that mechanization was going on apace, that automation was appearing, that the very things the hon. member spoke about this afternoon, automatic telephone exchanges and all that sort of thing, would soon be here in an increasing amount. So he said that something had to be done. How did he tackle the problem? He brought into being the family allowance program which has done a great deal to stabilize the economy and provide purchasing power to cover that part of production for which salaries, wages, dividends and profits just were not distributed and could not be distributed under our mechanized method of production.

He went further. He increased old age pensions to do a similar thing for people who had got beyond the years of productive effort. He also brought in increases in war veterans allowances and the like and, furthermore, developed what I think is one of the most balanced programs to look after unemployment that I know of, the unemployment insurance program of this government. All of that has served to distribute purchasing power to keep economic activity at a high level. But I point out to my hon. friend that, in spite of all these things, with the increasing rate of automation and the increasing displacement of manpower by automatic machines, in spite of the fact that we are spending billions for defence purposes to help

our neighbours and allies, in spite of all these things we have developed this year 600,000 unemployed.

Well, for goodness' sake, it is about time somebody woke up to the facts. That alone is an indication that automation is catching up on us, that we are in a period of serious dislocation, and that we are going to have to face this situation sooner than my hon. friend thinks. We are going to have to put our minds to this whole business and study ways and means of making a proper adjustment of purchasing power so that our people can continue to buy.

Let me point out to my hon. friend that machines do not get married and raise families. They do not have to have wages and salaries to keep going, and they can work for a fraction of a cent an hour where it takes $1 an hour at the very minimum for a man to keep body and soul together. It is about time we began looking at these things sensibly. I say to the hon. member that it is a dangerous thing for him or anybody else to stand up on the floor of the nation's forum and call people who have put forward positive ideas about how to meet these difficulties and adjust our dislocations, crackpots, funny money artists and all that sort of thing. They have no solution at all.

I think it is necessary for the Minister of Labour, his unemployment insurance commission, perhaps others in his employ, and certainly all of us in the house to give very careful study to what we can do to make proper adjustments in the economy consequent upon automation. In my judgment it is a question of adjustment and the maintenance of a free flow of purchasing power to keep economic activity at a high level. If the Conservatives ever do come to power with the same attitude as that portrayed by the hon. member for Notre Dame de Grace I predict that Canada will suffer the most tragic and intensive depression ever dreamed of by a frightened people.

But I say it need not be. It will be utter stupidity if it is allowed because depressions come about as the consequence of foolish policies of foolish men and can be cured and prevented by the positive policies of thinking men. Out of intelligent discussion of our problems solutions can be developed, but I say that no solution is to be found in silly ridicule or name-calling such as we had this afternoon. We have faith. We believe this country can slide into the golden age if we use our God-given brains to make the adjustments we ought to be making to meet the social and economic dislocations that occur through ever-increasing automation.

Mr. Ellis: Mr. Chairman, when the previous speaker rose he referred to the speech of the hon. member for Notre Dame de Grace as being barren of ideas and then he proceeded to spend all his time answering barren ideas. I find it difficult to understand how one can go about refuting ideas that were never presented.

Mr. Blackmore: Did you overlook that scrip?

Mr. Ellis: I feel I should show some deference, Mr. Chairman, in entering into the family quarrel between the two sections of the Conservative party in Canada, the Social Crediters in the west—

Mr. Low: Do not forget you were classed among the crackpots.

Mr. Ellis: —and the Conservatives in the east. I did feel in listening to the hon. member for Peace River that he put forward some very cogent ideas, but I was not unaware of the fact that the ideas he presented were more in line with socialist philosophy than anything I have ever read in Social Credit publications. If the hon. member were to get up in the house some time and explain to us the A plus B theorem I think he would be getting closer to basic Social Credit philosophy. But what he does is to pick out a few ideas which are actually basic criticisms of the free enterprise system. He referred to the fact that only in time of war has the free enterprise system provided full employment and in the next breath he defended free enterprise. It seems to me that to be consistent one cannot criticize the banking, financial and economic systems of Canada in one breath and in the next breath proclaim himself as a great champion of the free enterprise system.

Mr. Low: I am a free enterpriser first, last and all the time.

Mr. Ellis: He told us about what the Social Crediters did some years ago, but in view of the fact that in the province of British Columbia a former Conservative is premier, a former Conservative is finance minister—

Mr. Low: Even they see the light once in a while.

Mr. Ellis: —and a former Conservative and director of one of the Canadian chartered banks is financial adviser, it seems rather strange that the speeches made by the hon. members to my left at that time are still being made at this stage in 1955 long after they have shed any Social Credit mantle they ever possessed. I will not pursue the

matter further at this point. My only comment regarding the speech made by the hon. member for Notre Dame de Grace is that, apart from being barren of ideas, I think it was typical of the attitude of mind of—and we should be thankful for it—a small segment of our population, the attitude that business can do no wrong, the old idea once expressed by Charles E. Wilson that what is good for General Motors is good for the United States. I think Al Capp dealt the death blow to that in his comic strip. He had a character known as General Bullmoose who stated on quite a number of occasions, "What is good for General Bullmoose is good for everybody." I thought that when the hon. member for Notre Dame de Grace was speaking this afternoon he took the attitude that whatever was good for business must of necessity be good for the workers and the farmers. Business was out to take care of the working people of this country; business was out to maintain high wages and so forth. I need make no further comment on that point.

During the course of this debate we have been treated to a number of lectures on history, and as a teacher of history I find it very difficult to resist the temptation to refer to one point of fact that perhaps elaborates the comments made the other day by the hon. member for Winnipeg North Centre. He referred to the labour difficulties in the city of Winnipeg, and to the fact that at that time a Conservative government, with indecent haste, passed a statute with the connivance and support of the Liberal opposition which had the effect of denying to Canadian citizens the fundamental rights which have always been considered to be part of the rights of British subjects. It was a government of the same party to which the hon. member for Prince Albert belongs. From time to time that hon. member has spoken in this house on the need for a bill of rights, and I agree with him 100 per cent. Certainly, however, the action taken by the Conservative government at that time would be in defiance of any bill of rights contemplated by any member of the house.

I can come closer to the present day with a little history. This morning I received a copy of the 128-page edition of the Regina *Leader-Post*, published of course in connection with our golden jubilee to be celebrated this year. In this special edition of the *Leader-Post* some of the history of Saskatchewan and the history of Regina is outlined. There is on page 10 of the third section a little bit of history in connection with an event which occurred in the city of Regina on July 1, 1935.

[Mr. Ellis.]

Hon. members will recall that under a Conservative regime the answer given to the single unemployed men was to put them away in relief camps, as they called them, for an indefinite period of time. In some cases it certainly went on for four years. The single unemployed men were expected to stay in enforced idleness, removed from their families and friends, taken out of the ordinary community life which I think all young Canadians would hope to enjoy, and with absolutely no hope for the future. These men, after being incarcerated in these relief camps or concentration camps for a period of time, decided that they wanted what we all believe to be the right of every Canadian, the right to work for a living. They took the only measure open to them and decided to come to the foot of the throne at Ottawa to lay before the government of this country their reasonable requests.

What were the requests of this group? The Regina *Leader-Post* story sums up the requests of the strikers at that time. There were six requests that they had to make of the Conservative government. The first was work at 50 cents an hour for unskilled men and at union rates for skilled men, for a five-day 30-hour week. In other words, they would work by the hour. They were anxious to spread the work around. It was not a question of making a great deal of money. All they asked was the establishment of a work and wages program to give them employment, even if it was a question of employing them on an hourly basis for only 30 hours per week. Then, they asked for compensation, social and unemployment insurance and the guarantee of their right to vote; recognition of the leaders of the strikers for negotiation purposes and an end of military control of relief camps.

No hon. member would suggest that these requests were unreasonable or out of line. When these men set out for Ottawa they got as far as Regina and, according to the bit of history in the *Leader-Post*, when the advance party arrived at Regina, they made a favourable impression. At that time the present Minister of Agriculture was the premier of Saskatchewan. These men made a good impression in the city of Regina, and when they came to the city every effort was made by the citizens of Regina to meet with them and to extend hospitality to them.

After a period of protracted negotiations the leaders of these single unemployed went to Ottawa to talk with the members of the Conservative cabinet. One newspaperman gives this report of an interview between one

member of the delegation and the late Prime Minister Bennett. Mr. Bennett is quoted as saying:

> I ask you if you think you are playing the part of good citizens when you work against a country that is doing the best it can for you?

Now, there was an example of the attitude of the prime minister of Canada. Don't you fellows realize we are doing the best we possibly can for you? Ingrates coming to us and complaining! The thing is fantastic. These men were presenting their requests to the Conservative government at that time and they asked for a reasonable audience from the government. They were told by the Prime Minister that this country was doing all that it could, meaning the government was doing all it could, for them, and therefore they should be satisfied, be good citizens and go back to their relief camps where they should wait until the end of the depression. Here was the old idea that prosperity was just around the corner. If you waited long enough some day we might have a return to good times.

When the negotiations broke down, we know that on July 1—I am going to quote from the newspaper historical account—the following happened:

> Then without warning steel helmeted police, mounties and Regina city police among them, moved in on the meeting at 8.20 o'clock. Five or six of the "strike leaders" were arrested and were being led away when some stones were thrown.

In other words they arrested a number of men who had previously announced in the city of Regina that they were ready for arrest at any time. As a matter of fact, they might have welcomed it in order that they might present their case before the courts. They would not have damaged their case by being arrested for the simple exercise of their right as citizens to request action from the government. We know that as a result of that riot one man was killed and over a hundred people were injured, most of them Regina citizens. Most of the relief camp strikers never left the Regina stadium where they were billeted. There were over a hundred injured and a great deal of property was damaged in the city of Regina. There is the story. When the single unemployed men in Canada asked for work and wages, the Tories gave them bullets and tear gas. Is it any wonder that the attitude of the people in my part of the country towards the Conservative party underwent a dramatic change? Our people will never forget the brutality and callousness of the last Conservative government in this country.

When I heard the Leader of the Opposition, the leader of the Conservative party in Canada, get up and make some trips back into the history of this country to try to present the Conservative party as the friend of the workingman, I could not help but cast my mind back over those last days of the Conservative administration in this country from 1930 to 1935. Then, of course, according to Liberal spokesmen the depression was supposed to have ended in 1935. The other day in this house the hon. member for Vancouver South spoke of the great depression from 1930 to 1935. Let me tell him that there were over half the people of Saskatchewan on relief in 1936. Nothing the Liberals did at that time helped to bring about a solution of the unemployment problem. I mention this simply because the Leader of the Opposition has seen fit to go back into history to try to do the impossible, that is to try to portray the Conservative party as the friend of the workingman. A number of references along the same line were made by other speakers for the Conservative party. The hon. member for Greenwood the other day made an interjection with regard to the Winnipeg Labour trouble, and the hon. member for Winnipeg North Centre answered, and I think rightly, by naming some of those people involved at that time, some of the people who were the most respected citizens in the city of Winnipeg. There was John Queen, who became mayor of that city, and Mr. J. S. Woodsworth who was perhaps the most respected man who ever sat in this House of Commons.

But I was surprised to hear the hon. member for Greenwood make some reference to those gentlemen in terms which indicated that they were communists of that time; I believe he said something to that effect.

Mr. Macdonnell: Would the hon. member permit a question? If he will read what I said he will see that I said nothing of the kind. There is no man in the House of Commons who respected Mr. Woodsworth more than I did. I am glad to say here he was in my house as a guest.

What I did point out was that at that time what they were faced with, here at Ottawa, was signs of disorder such as there had never been. I read the clauses in the amendment, and I asked whether anyone would doubt what kind of men those clauses were directed against. It was communism. I do not care how good were the men the hon. member has mentioned; they were not the only people concerned. And the things that went on—well, if he will read them he will see that they were very different from those which would have been done by men like Mr. Woodsworth.

Mr. Ellis: Of course I appreciate the remarks made by the hon. member, but I certainly did not say that he mentioned those names in particular. But I think he will agree that the law certainly was applied, and as a matter of fact those gentlemen spent time in jail. Whether we now say that was an injustice—that may be. But, nevertheless, as a result of the law of that time certain men who certainly were not criminals or who were not guilty of any crime did spend time in jail. As a matter of fact, I believe one of them was elected to office while he was in jail.

Mr. Pouliot: And there was Arthur Meighen's telegram.

Mr. Ellis: To get back to the question to which I was referring, following the period of 1935, it would seem that the hon. member for Vancouver South was under the impression that the depression ended in 1935. I have here the number of people who were on relief in 1936, and there were 1,310,000 people on relief at that time. And yet the hon. member for Vancouver South seems to think that the depression was over, and that we had reached that corner around which prosperity was found.

I wish to make one reference to the remarks made the other day by the hon. member for Prince Albert. This is not the first occasion upon which he has made reference to the unemployment situation as it affects his province, and mine. In view of the fact that he has placed on the record two references to Saskatchewan which I think are inaccurate and misleading, to say the least, I wish to place a couple of figures on record, and to stress the fact that in Saskatchewan the problem of unemployment is related directly to farm income.

Saskatchewan is not an industrial province whatsoever. It is strictly an agricultural province. Secondary employment in Regina, for example, is related directly to farm income. I have received a communication from my own city regarding the unemployment situation there. I might say that the Trades and Labour Congress and the Regina labour council of the Canadian Congress of Labour in my city formed a joint committee to make a further investigation of the local situation, and they will be making a recommendation in due course. I wish to point out that in Canada as a whole we find that less than 14 per cent of those in the labour force are agricultural workers, whereas in Saskatchewan the reverse is true. There are not more than 25 per cent in the labour force of that agricultural province who could be classified as industrial, manufacturing or construction workers. And to get that 25 per cent figure you have to add in a number of store employees.

So you find that essentially Saskatchewan is an agricultural community. You cannot possibly compare the unemployment picture, for example in the city of Regina, with that in an industrialized city like the city of Windsor. And of course it is utterly fantastic to draw a parallel of that kind.

At no time have I or any member of this group made any effort to attach blame to any one part of the country so far as unemployment is concerned. It is a national problem. Unemployment is something that affects the entire dominion. But I do wish to repeat and to stress once again that in Saskatchewan unemployment is related directly to falling farm income.

I know the hon. member for Prince Albert will agree with me when I say that unemployment in Saskatchewan is directly related to farm income. And farm income is one of those things over which the provincial government has very little if any control. In our province our farmers are engaged in the production of agricultural commodities for overseas markets. Very little of our wheat is consumed here; we are on the export market. Consequently the policy adopted by the Minister of Trade and Commerce will determine the condition of agriculture in Saskatchewan. And indirectly of course it affects the employment picture in my own city. I have the figures here—

Mr. Gardiner: May I ask the hon. member a question? Apparently he is going to base his argument on the fall in income of the farms in Saskatchewan last year. Was that not entirely due to the fact that there had been crop failures, and that the elevators had no room in which to put the wheat that had already been produced in other years?

Mr. Ellis: Well, Mr. Chairman, the reason there was no room was that the wheat was not being sold—wheat which should have gone out of the country to overseas markets.

Mr. Gardiner: The reason there was no room was that we had had the three biggest crops ever grown in Saskatchewan in the three preceding years.

Mr. Ellis: Well, I am not going to get into an argument over that just now.

The Deputy Chairman: Order. In interrupting the hon. member for Regina City I realize that he could quite easily say that the same type of interruption might have been made earlier in the debate. However, may I take this opportunity to point out to the committee that recent interjections would seem to

show we are in grave danger of passing from a debate which should deal with labour to a debate based very largely on the Department of Agriculture, and possibly on the Department of Trade and Commerce. I realize the hon. member for Regina City is entitled to refer to anything which he considers has had an effect on labour; but I would ask him, and hon. members who follow him in the debate, not to go into detail about causes of conditions concerning an entirely different department to any greater extent than is absolutely necessary. It must be kept in mind that we are now discussing the estimates of the Department of Labour.

Mr. Ellis: I have no intention of pursuing the matter further.

I have in my hand a news release issued jointly by the Department of Labour and the dominion bureau of statistics showing the number of unplaced applicants at employment offices in various regional and local offices throughout Canada. I would note, incidentally, that this information is for February 17, which apparently is the latest information available. It reveals increases in many offices throughout Canada. If we get into the figures I would point out that in the prairie region, with special reference to the city of Regina, there was from January 20, 1955, to February 17, 1955, an increase of 135 in the number of unplaced applicants. In the city of Calgary there was an increase of 687 and in Edmonton an increase of 1,693.

Mr. Diefenbaker: What about a comparison with the year before?

Mr. Ellis: The other evening the hon. member for Prince Albert was challenged by the hon. member for Winnipeg North to put figures on the record, and he refused to do so.

Mr. Diefenbaker: No, Mr. Chairman; just a moment. On a question of privilege, I said I had already done so; and I repeat that now.

Mr. Stewart (Winnipeg North): Where did you do it?

Mr. Diefenbaker: Look at *Hansard*.

Mr. Stewart (Winnipeg North): I have, and I cannot find it.

Mr. Ellis: I happen to have *Hansard* here, and—

Mr. Diefenbaker: The percentages are there.

Mr. Stewart (Winnipeg North): Percentages?

Mr. Ellis: I note the percentages are, yes. However, I do not think there is much point in going into that.

Some hon. Members: Oh, oh.

Mr. Ellis: I am not going to take the time to go through *Hansard*. The hon. member for Prince Albert was not prepared to be interrupted in the middle of his speech for two or three minutes.

Mr. Diefenbaker: Read the percentages.

Mr. Ellis: However, I shall read the figures that I have in my hand from the dominion bureau of statistics. I note that as of February 17, 1955, there were applications for employment on hand in the national employment service offices as follows: In Regina, the figure was 5,160; in Fort William-Port Arthur, 7,391; in Edmonton, 14,592. I am not going to try to prove that the unemployment situation is any worse in Alberta than it is in Ontario, or that it is worse in British Columbia than it is in some other place. That is not the point I am trying to make. My point is that unemployment is a national problem. I do not think any useful purpose is served by some hon. member trying to cast aspersions on some particular provincial government. I would say to the hon. member for Prince Albert that if he has not enough confidence in the leader of the Progressive Conservative party in his province to let him carry on the provincial battle in that province, we of the C.C.F. have full confidence in our premier and the members of our government and the members of our legislature to carry on the provincial battle in the legislature.

There is not much to be gained by trying to malign a provincial government during the course of a debate of this kind. I realize that an election is taking place in Ontario, and perhaps some of the remarks of the hon. member might have been pointed in that particular direction. But I do want to refer to one other point which he made. It was not a point so much as it was a sort of inference; but the inference was sufficiently obvious that the hon. member for Temiscouata was able to get it right at the moment. He tried to convey the impression that the reason why there were so many unemployed in Saskatchewan was that the crown corporations have been laying off their employees, and these employees have been crowding the ranks of the recipients of unemployment insurance in that province.

I am going to put on the record some pertinent figures in that regard. I am going back two years. There is no use in going back a month or so. Let us go back a couple of years at a time when unemployment began really to surge ahead and become an increasingly serious problem in that province. In 1953 there were some 408,000 unplaced applicants at unemployment offices throughout Canada. At that time there were 3,700

employees of crown corporations in Saskatchewan. In 1955 the number of unplaced applicants in the national employment offices throughout Canada had risen to 632,913, as of March, 1955. And during that same time, when unemployment was increasing, the number of employees in crown corporations went up to the present figure of 4,000. Therefore, we find this picture. In 1953, there were fewer employees of crown corporations; there were fewer unemployed in Canada.

I am not going to argue whether unemployment has gone up. I say it has gone up, actually. Be that as it may. To leave the impression that the unemployment situation has been aggravated by wholesale dismissals of crown corporation employees of course is utterly absurd and not in accordance with the facts.

Mr. Diefenbaker: Will the hon. member give us the figures?

Mr. Stewart (Winnipeg North): Will you give the figures?

Mr. Diefenbaker: I will give the figures.

Mr. Stewart (Winnipeg North): You have never done it yet.

Mr. Ellis: I was sitting in my seat in the house when the hon. member for Winnipeg North asked the hon. member for Prince Albert to put the figures on record.

Mr. Diefenbaker: See March 15, 1953 *Hansard* at page 2033.

Mr. Ellis: He referred to the speech he had made in this house and I shall not take the time to look up the debate. I should have thought it would have been quite in order to place the figures on the record.

Mr. Diefenbaker: What about the box factory employees?

Mr. Ellis: With respect to the Department of Labour, I want to re-emphasize the comment made by an hon. member on the other side of the house a short while ago that the Minister of Labour is in a very unenviable position as Minister of Labour. In view of the very serious unemployment situation in Canada, it is only natural that the public mind would be thinking of the Minister of Labour as being the chief villain in the piece so far as unemployment is concerned.

Some hon. members have already pointed out that the Department of Labour does not possess the powers to deal effectively with the general question of unemployment. Unemployment is something which must be put on the doorstep of the Prime Minister and the entire cabinet. Certainly the Minister of Labour is not in a position in his own department to deal effectively with a problem of that magnitude. Therefore, any criticism that we have made in respect to unemployment is certainly not levelled at the Minister of Labour. I am quite certain that the Minister of Trade and Commerce and the Minister of Finance possess far more powers to deal with the general questions of unemployment and related economic problems than the minister of the labour department who is charged with very limited responsibilities in this connection. But I do want to refer to one question that was raised by my colleague, the hon. member for Cape Breton South, the other evening, and it is the only one I want to emphasize. I refer to the question of vocational training.

For some time we have been a little concerned about the future of vocational training in Canada. I believe questions have been asked in the house with respect to the future of the vocational training program, and the answers were not too satisfactory. It would appear that vocational training is not getting the proper consideration that it deserves from the government. At a time like this vocational training is of more importance than ever before.

A great deal has been said about automation and technological advances in general. As we approach closer and closer toward this perhaps ultimate goal of automation, there is less and less room in the labour force for unskilled labour. There might have been a time a few years back when a part of our labour force consisted of largely unskilled labour; but gradually the numbers of unskilled labourers required in our labour force have been diminishing and as our requirements of unskilled labour diminish it is all the more important to get skilled persons to take on the various jobs as they arise throughout the country.

We know that throughout Canada a great many of our young people are leaving school at an early age. Not too many of them are going on to college and university. These young people have to be equipped to take jobs in the increasingly greatly industrialized era that we are entering. It is not something that is just starting; it has been going on for a long period of time, but there is an acceleration of that tendency today. Certainly now is the time when we need greater emphasis on vocational training, not just for our young people. What about our older citizens, particularly those over 40 years of age?

Yesterday, my colleague, the hon. member for Cape Breton South, referred to the closing of 1-B colliery in Glace Bay, Nova Scotia. He pointed out that 60 per cent of the men

who were put out of employment in that mine were 40 years of age and over. What is going to happen to those men? Mining has been their life work. Certainly, employment opportunities have to be provided for them somehow or other. If a man has been brought up as a skilled craftsman in his own particular line of work and suddenly he is denied further access to that type of work, he has to be given the necessary opportunity to adapt himself to a new type of employment. Now is the time when we should be giving an increasing emphasis to vocational training, not only for our young people but for our older people, those people who are being displaced day by day through this whole process of automation.

It seems to me that the government has taken a retrograde step. I do not know the reason for it. Has the Minister of Finance something to do with it? Has he figured that he has to lop off expenses by cutting down vocational training grants? If so, it is a shortsighted policy.

Mr. Harris: It is always the same. If you do not cut expenditures you are doing something wrong. If you do, then you are shortsighted.

Mr. Ellis: Mr. Chairman, I do not think there is any question in the minds of people throughout this country that at this time there is a need for the extension of vocational training facilities rather than a curtailment. If the minister knows some other answer, if he knows how we are going to fit workers, particularly older workers, who have not had an opportunity to learn the types of skill necessary to take on a different type of employment, perhaps he has the answer; but it seems to me that you have to provide employment for these men, and to be perfectly realistic about it you have to fit them to take new types of employment. Rather than cutting down on vocational training we should be extending it. I am quite sure that the board in my own city would be most happy to co-operate in the extension of vocational training facilities in that area to take care of this great need.

Mr. Harris: Can my hon. friend tell me how much money was spent in his city out of this grant for the elderly people he is talking about?

Mr. Ellis: I am referring to this vocational training grant for the training of tradesmen.

Mr. Harris: That is what the hon. member was talking about.

Mr. Ellis: I do not want to be led off the path by an interjection from the Minister of Finance. I am satisfied that the minister is fully cognizant of the need for the extension of vocational training. I think it is a question of convincing his colleagues in the government that now is the time to extend the vocational training facilities in this country rather than to curtail them.

Mr. Macdonnell: Mr. Chairman, I want to make one or two comments upon the remarks made by the hon. member for Regina City. It seems to me that there ought to be certain decencies in the political life we are engaged in, and I think it is a poor piece of business, particularly for a teacher, to spend his time sneering at one of the great public servants who toiled for this country as few people have toiled. I refer to the man who was prime minister from 1930 to 1935.

Let us be honest and admit that the period from 1930 to 1935 was a time when not only did world trade dry up but western Canada dried up. I was in business during those years and it was my duty to go to western Canada and I saw things there during the drought that I never thought possible. I saw sights that reminded me of what I imagined the Sahara desert looked like. But for people to come along now and criticize the men of those days, overlooking the situation as it existed then, and overlooking that we have new financial tools—we have the Bank of Canada which was set up by the Right Hon. R. B. Bennett—is not good business.

Mr. Quelch: The hon. member must have forgotten that 1932 was one of the heaviest crops western Canada ever had but the price of wheat was only 19 cents a bushel.

Mr. Macdonnell: I said the years from 1930 to 1935. There may have been one good year and I did not say that all the years were drought years. So far as the price of wheat is concerned, I pointed out that world trade had dried up as well as western Canada. The only thing I want to say is that for anyone to sneer at the men of those days who were doing the best they could in the light of those days is a poor piece of business. As a matter of fact it was R. B. Bennett who took the pioneer action of guaranteeing the price of wheat.

Mr. Ellis: Would the hon. member permit me to make a statement. I did not intend to create the impression that I was sneering at R. B. Bennett. I was criticizing him, not personally, but as one of the leaders of the Conservative party.

Mr. Macdonnell: If the hon. member says that he was not sneering I accept his word, but that was the impression I got. That is

why I rose to my feet because I considered R. B. Bennett to be a great citizen who served this country in times of incredible difficulties and it is a poor piece of business to be trying to diminish his reputation.

The Chairman: Shall the item carry?

Mr. Knowles: Is the minister not going to answer some of the many questions?

Mr. Gregg: Mr. Chairman, I have followed this far-flung discussion yesterday and today and have made a great many notes. I think it would add to the orderliness of the discussion if I were to state that as we reach the particular items in my estimates I shall do my utmost to answer the questions and comments and criticisms that have been made with regard to those items. I would make one reservation in that I did promise that I would reply to a criticism made before dinner by the hon. member for Winnipeg North. I would like to do that. If we do not reach the fair employment practices item, which is only the third or fourth item, before 9.58 o'clock I shall answer his comment then.

Item agreed to.

175. Annuities Act—administration, $1,015,522.

Mr. Bryce: Mr. Chairman, I have had some correspondence recently in connection with annuities. The trouble seems to be that there is no cash surrender provision in connection with annuities. I think it was 1951 when the government introduced a bill containing a cash surrender clause. I am sure the minister must remember this. As I say, if a man takes out an annuity he cannot possibly get his money back. This is what the department tells me.

I should like to ask the minister if the government has any intention in the near future of amending the annuities act so that under extenuating circumstances the annuitant would be able to get back his money. In the case I have in mind a man has lost his car and is forced to sell some of his household effects. He has an annuity but he cannot touch it. Perhaps the minister can answer me now, or even later. Apparently the bill that the government brought down before to which I have referred was dropped by the wayside somewhere.

Mr. Gregg: It is not the intention of the government, at this session at any rate, to bring in an amendment to make the equity in an annuity refundable. The whole act has had consideration, but the particular provision just suggested would seem to be out of harmony with the original intention of the annuity plan which was to encourage thrift for old age.

[Mr. Macdonnell.]

Mrs. Fairclough: When the supplementary estimates were up for consideration in March they contained an item of $26,000 on which very little explanation was given. I believe I intimated to the committee at that time that when the main item came up I would ask some questions about it. If my memory serves me well, I asked what that $26,000 was for and was told that additional commissions had had to be paid because of additional sales of annuities which had not been anticipated by the department. At that time, again I am trusting to my memory, the Minister of Finance agreed with that statement. Despite that and the fact that I gained the impression that he expected this picture to continue and that there would be more annuities sold this year than there were last year, I find the same amount in the estimates appropriated for commission to agents as there was in the estimates for last year, that is $270,000. I should like to know just what the situation really is. If the trend is towards greater and greater sales, that is poor budgeting. If, on the other hand, it was a once-in-a-lifetime sale, I would be interested to know just what it was that caused the additional expenditure of $26,000. Was it a general increase in business, was it industrial coverage for a large number of people, or just what did occasion that $26,000 additional appropriation?

Mr. Gregg: Mr. Chairman, the explanation given in regard to the supplementary estimates was correct, that the sales that were made last year had accrued commissions for which we did not have enough money. Perhaps my hon. friend would permit me later on to refer more definitely to her inquiry with regard to comparing the amount set out for commissions this year, $270,000, with the $296,000 for last year. I should be glad to do that.

Mrs. Fairclough: I asked this question of the Minister of Finance. The Minister of Labour not being in the house at the time this item was passed. He did not have the information at his fingertips. I intimated that I intended to ask the Minister of Labour whether this was a general increase; was it one large coverage that was sold, or just what did occasion that amount of $26,000? I am sure the minister follows me. If there was a general increase in business, why is that amount not appropriated for this year also? If the sale of annuities is becoming so popular and the agents so active that they are gradually increasing business, then why is an increased amount not in the estimates this year?

Mr. Gregg: That is the point I should like to make sure about. I can say that the increased amount of commission asked for in the supplementary estimates was due to a general increase in business last year. I cannot for the moment say why we were a little pessimistic about future business in making up what is here our main estimates for this year.

Mrs. Fairclough: I understand that there are two groups of agents, ordinary salesmen and postmasters.

Mr. Gregg: Our sales force is pretty steady.

Mrs. Fairclough: I notice also that in this department, quite apart from the commission, last year there was an expenditure of $1,009,597, as against an appropriation of $997,528. I suppose that the increase of $26,000 would be included in that. Despite that, the appropriation for this year is even another $6,000 higher than the expenditure. It is hard to reconcile these figures without taking out the $26,000. You really have to add the $26,000 to the original appropriation of last year, and you get $1,023,000. The estimated expenditure is $1,009,000. I do not want to pin the minister down at this time of night to a full statement on expenditures, but I rather think that if we got to the bottom of the $26,000 we would get an idea of what the rest of it is about.

Mr. Thatcher: I too do not wish to hold up these estimates at this time of night but I do want, for the third consecutive year, to object to this expenditure. In my opinion it simply cannot be justified. During 1955 the government is proposing to spend $1,015,000 on the administrative costs of annuities. I think it is worth while noting that such an amount is about $18,000 more than last year. I think hon. members, as they look at this expenditure, should keep in mind the original purpose of this annuities legislation. The original Government Annuities Act was passed in 1908. The reason it was passed was to help people of moderate means to put away money for their old age. Since that time of course old age pension legislation has been passed. Despite that fact I still think there is a place in our over-all social security system for annuities. As a matter of fact, I am one who thinks that probably the ceiling should be increased from $1,200 to $2,400. At the same time, I feel very strongly that this annuities department should be placed on a self-sufficient basis. There is no earthly reason why the taxpayers of Canada should be subsidizing these annuities. It is worth while noting that, in addition to this administrative item, the government is paying out a substantial sum each year to keep the fund on a sound basis. During 1955, I believe, it is about $250,000. In past years the sum has been considerably higher.

That means that this year the taxpayer of Canada is subsidizing the annuities branch, or to be more exact, those who hold annuities, to the extent of $1,265,000. Since this legislation originated, the over-all subsidy now totals more than $32 million. Now, I contend, as I have contended in the past, that government policy in this respect should be changed. I am all in favour of government annuities being sold at cost; I think that is sensible. I do not think the government should try to sell these annuities at a profit. But I certainly do not think that the government should continue to sell annuities at a loss.

If such a policy were followed the annuities branch could still sell these annuities at less than insurance companies could sell similar policies. I take this attitude tonight particularly because so few people are benefiting from this subsidy. Last year a total of 18,466 individual and group contracts were issued. That means, in other words, that the taxpayer of Canada subsidized each and every contract, for administrative costs alone, to the extent of $54. As I see it, the Minister of Labour, and the Minister of Finance, should give serious consideration to changing government policy, so that these annuities are sold at a price which is sufficient, first of all, to cover administrative costs, and secondly, to keep the fund solvent.

I can see no reason whatever why the taxpayer of Canada should be called upon to subsidize a scheme which is used by only a small minority of our population, most of whom are in no need of such government assistance. Moreover, I see no reason why the government must employ 174 people at the taxpayers' expense, simply to sell an article at below cost and in competition with existing companies. Today it is not always—indeed, very frequently it is not—people in low income groups who buy annuities. Quite often it is people who are in the higher wage category who buy the annuities.

Many people say that the cost of government should be brought down. If hon. members believe that fact, I suggest that this is a good place where they could start trimming. Therefore I move:

> That item 175, on page 31 of the estimates, which calls for an expenditure of $1,015,522, be reduced to the sum of $1.

If I need a seconder, the hon. member for Chicoutimi will second this motion.

Mr. Sinclair: Party solidarity.

Mr. Johnston (Bow River): I should like to say a word or two about the amendment now before the committee. First of all, may I say that I do not hold any annuities. I have never been able to buy any, but I can see the advantage of having them. I would agree with the mover of the amendment to the extent of saying that the department, particularly the annuities branch, is overmanned. I think some economy could be practised in that regard and maybe they could save enough money to balance the accounts. But I do not think it would be a good thing to do away with the government annuities branch. I maintain this is one instance where the ordinary working individual has an opportunity to make an investment which gives him a fair and decent return.

Mr. Thatcher: I think so too.

Mr. Johnston (Bow River): The hon. member for Moose Jaw-Lake Centre says he agrees with that.

Mr. Thatcher: Just make it self-sufficient.

Mr. Johnston (Bow River): It seems to me that to give the ordinary little man a place to invest his money so that he can draw a fair amount of interest on it and have some security is a worth-while thing to do. It is the sort of investment that is not available to him from any private organization I know of at that rate of interest. I have investigated the matter with the insurance companies and I find that what they have to offer cannot compare with government annuities.

I want to take exception to the suggestion made by the hon. member for Selkirk. I would be very sorry indeed to see any cash surrender clause provided in the annuities legislation whereby the money could be withdrawn. To me that is a safeguard to be retained. I do not think any person who has worked hard to save enough money to invest in an annuity so that he can have some form of benefit in his later years should be allowed because of financial stress or simply because he wishes to do so to withdraw that money and then live in poverty after that. I can understand the hon. member's concern. There might be an elderly person who had a doctor bill that should be paid, but I would be the last one in the world to say that they should cash in their annuity in order to pay a doctor bill, much as I would like to see them pay it. My experience is that the doctors probably can get along a little bit better than the person who is in such need that they want to cash their annuity in order to pay the bill. Then they would not have the benefit of a monthly annuity payment to assist them in their old age.

[Mr. Sinclair.]

No, Mr. Chairman, I would not sanction a cash surrender provision being put into the annuity legislation. I think it should be left exactly as it is. If a person has an ordinary straight annuity they should be protected against all claims so that they will be able to draw their monthly cheque to assist them in their time of need and be able to make use of the assistance which they worked so hard to provide.

Mr. Harkness: Possibly I should not even speak on this particular subject because I happen to possess one of the annuities which I took out in the year 1928. In view of what has happened in Alberta in the last three or four weeks it may be I am disqualified from sitting in the house because I have one of these annuities. I am not too sure of my position from that point of view. My main reason for rising was to ask, with reference to the very considerable amount of $475,177 estimated for this year for staff wages, and being part of the total of $1,600,000 odd, whether it is all charged against the general annuities scheme or whether it is a straight contribution by the people of Canada towards the plan.

Mr. Gregg: It is a straight contribution of the taxpayers towards the annuities plan. I should like to refer to the question of the hon. member for Hamilton West. In both cases, for 1954-55 and for 1955-56, the answer is that it was a case of underestimating at the time the main estimates were prepared. We are called upon in October to make up our estimates, and at that time it was not clear how much would be needed for commissions. We asked for $26,000 more last year, and I have to tell the Minister of Finance that we will be asking for $35,000 in the supplementary estimates this year. If I have permission, I should like to refer, before ten o'clock is called, to the very special question raised this afternoon by the hon. member for Winnipeg North. He charged that the government is violating the Canada Fair Employment Practices Act. He based his charge on a document which he held in his hand and which he indicated called for certain information that was contrary to the spirit and the letter of the act. I should like to tell him and the house that the unemployment policy of the government is of course conducted by the civil service commission—the employment policy, I mean. I have heard so much about unemployment!

Mr. Knowles: The truth will out.

Mr. Gregg: The carrying out of the policy of the federal government in employing staff

is the task of the civil service commission, and the commission does attempt to carry out fully the letter and the spirit of the Canada Fair Employment Practices Act. Needless to say, the government believes that should be done.

The hon. member kindly sent me the document he had in his hand this afternoon, and I was glad to see that it was not an application for employment in the civil service at all but rather a confidential questionnaire used for security purposes only. It is used in connection with personnel occupying vulnerable posts so far as security is concerned. I am told that only with persons holding or applying for posts that may give access to vital information or some other similar matter is this form used.

In view of what I have said, I hardly think its use in this way is contrary to section 11 of the act which reads as follows:

> Nothing in this act shall be construed to require a person to employ anyone or to do or refrain from doing any other thing contrary to any instruction, direction or regulation given or made by or on behalf of the government of Canada in the interests of the safety or security of Canada or any state allied or associated with Canada.

Mr. Stewart (Winnipeg North): Mr. Chairman, I must take issue with the minister on this subject. In the first place, the act deals with something more than with forms of application for employment. The act states in subsection 5 of section 4:

> No person shall . . . make any written . . . inquiry in connection with employment that expresses either directly or indirectly any limitation, specification or preference as to race . . .

And so on. This is a written inquiry. It certainly is not a questionnaire concerning employment. It is a written inquiry, and the minister tells me now that this inquiry is only used in those tender, soft spots where security may be at stake. But how is the security of Canada safeguarded by finding out what a civil servant's father's nationality was? How is the security of the state furthered by finding out the nationality of the dead parent of a civil servant? I may say I did not get this document from the person who received it originally from whatever branch of the government it was he was in. I got it from an intermediary. I am informed on what I consider to be good authority that the position this person was seeking was as sensitive as that of member of parliament, and members of parliament are not allowed to know too much.

I am quite certain that despite the belief of the minister this form has been used in other departments of government. I have no objection at all to the most stringent security regulations. After all, they are necessary. I cannot imagine, from the point of view of security and protecting Canada against possible treachery—

The Deputy Chairman: Order. At the moment, the committee is entirely out of order, for which I am responsible. I understood that for some particular reason it was the sense of the committee that the minister should be given an opportunity to reply today to a question asked earlier. Apparently the minister's reply is of such a nature or the item is of such a nature that it is going to provoke quite a debate which obviously belongs under resolution No. 178 dealing with the administration of the Canada Fair Employment Practices Act. I am afraid it cannot be continued under an amendment to reduce the item for the administration of the annuities act. There is an amendment before us on item 175. Is the committee ready for the question?

Some hon. Members: Question.

Some hon. Members: Ten o'clock.

Mrs. Fairclough: I believe that some of our members wish to speak to this question and since it is now past ten o'clock I ask you to call it ten o'clock.

Item stands.

The Deputy Chairman: It being ten o'clock, shall I report the resolutions and ask leave to sit again?

Resolutions adopted in committee of supply this day reported, read the second time and concurred in.

BUSINESS OF THE HOUSE

Mr. Harris: On Monday we shall take the committee of the whole on Bill No. 188, the Government Employees Compensation Act, committee of the whole on Bill No. 279, the great lakes fisheries convention; the second reading of Bill No. 351 respecting Canadian National Railways; second reading of Bill No. 352 respecting the inspection of meat and meat products; the resolution stage of the bill with respect to national standards for agricultural products; the resolution with respect to the Yukon Quartz Mining Act; the second reading of Bill No. 5 to amend the Prairie Farm Rehabilitation Act; the second reading of Bill No. 350 to amend the Blind Persons Act.

If I might have the indulgence of the house for just one moment, I would ask the serious consideration of all members to the business of the house for the next few weeks. We had all, I think, hoped earlier, if I may say so, that we might conclude the session some

time about the middle of June. I should like to point out that there are six or seven committees still functioning and meeting two and in some cases three times a day. It would be desirable to get the committee work cleaned up, I would hope, during the course of the next week, if at all possible, so that very shortly after that it would be possible to meet in the mornings in the house.

What I say now is not by way of criticism at all of anyone or any group, but often we find, sir, that in the last two weeks we have to do more contraction perhaps of what members would like to say and do than should be necessary if we started a little rationing a little earlier. I should like to point out that in this particular debate on labour we took almost nine hours, I think about eight and three-quarter hours, to carry the first item. We took a little over three hours to carry the first item last year, and I do not think there is any particular reason for that. We had a long unemployment debate in both sessions, so I just appeal to hon. members to bear in mind that if we would have the time to give full consideration to all the business that is going to come before parliament we might consider, beginning on Monday, endeavouring to find a way to state party positions and individual positions with perhaps a little less debate than we have had.

Mrs. Fairclough: If I could comment on the minister's remarks and his reference to the fact that the debate on the first item of labour estimates last year took but three hours, I would remind him that it was about the next to the last day of the session and the whole thing was considered very quickly with the co-operation of both sides of the house.

Mr. Harris: That is my point. If, beginning on Monday, we would state our positions of course on all legislation and on all estimates, but nevertheless keeping debate down to a minimum, we would not have to contract an important debate in the last week.

Mr. Knowles: May I ask the minister a question? Will the business on Tuesday be a continuation of that which is not concluded on Monday?

Mr. Harris: I hope we will take the remainder of the legislation on the order paper, having disposed of all that I mentioned for Monday.

Mr. Green: May I ask the minister what he intends to do about setting up the committee on atomic energy?

Mr. Harris: I am not in a position to say. I shall try to answer that on Monday.

It being nine minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply]:

DEPARTMENT OF LABOUR

A—Department—
General administration—

173. Departmental administration, $685,605.

174. To provide for expenses of the economics and research branch, $549,517.

HOUSE OF COMMONS

Monday, May 23, 1955

The house met at 2.30 p.m.

HER MAJESTY THE QUEEN

TRIBUTE ON OCCASION OF CELEBRATION OF BIRTHDAY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, before the doors of the house were opened to the public you led us in the usual prayer for our beloved sovereign, Queen Elizabeth. Today the people of Canada are celebrating officially the anniversary of Her Majesty's birthday. In this house, as in other years, we will be evidencing our devotion to Her Majesty by continuing to give consideration to the public business of her Canadian subjects. But with your permission the Leader of the Opposition (Mr. Drew) and I would like to suggest that before doing so we stand and sing together the first verse of the royal anthem.

Whereupon the members of the house rose and sang

God Save the Queen.

PRISONS AND REFORMATORIES ACT

AMENDMENTS RESPECTING BOYS' INDUSTRIAL HOME, NEW BRUNSWICK CENTRAL REFORMATORY

Hon. Stuart S. Garson (Minister of Justice) moved the first reading of Bill No. 381 (from the Senate), to amend the Prisons and Reformatories Act.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 382, for the relief of Mary Matilda Getto Paquin.—Mr. Hunter.

Bill No. 383, for the relief of Ruth Nourse Tomlinson Wilson.—Mr. Hunter.

Bill No. 384, for the relief of Joseph Henri Marcel Giguere.—Mr. Hunter.

Bill No. 385, for the relief of Edith Isabella Bond Brown.—Mr. Hunter.

Bill No. 386, for the relief of Yolande Joos Thompson.—Mr. Hunter.

Bill No. 387, for the relief of Norva Florence Lemon Farley.—Mr. Hunter.

Bill No. 388, for the relief of Freda Marie Johnston Storey.—Mr. Hunter.

Bill No. 389, for the relief of Jack Beattie Thompson.—Mr. Hunter.

Bill No. 390, for the relief of Florence Mary Ann Meakin O'Ranski.—Mr. Hunter.

Bill No. 391, for the relief of Theophile Kulczycki.—Mr. Hunter.

Bill No. 392, for the relief of William Michael Grayburn.—Mr. Hunter.

Bill No. 393, for the relief of Katharine Leitner Bouchard Frankenburg.—Mr. Hunter.

Bill No. 394, for the relief of Clara Gaetan Milot Fullerton.—Mr. Hunter.

Bill No. 395, for the relief of Lily Shenker Silverton.—Mr. Hunter.

Bill No. 396, for the relief of Alsye May Lissemore Masterson.—Mr. Hunter.

Bill No. 397, for the relief of Sylvia Knelman Wiseman.—Mr. Hunter.

Bill No. 398, for the relief of Sara Beiss Stein.—Mr. Hunter.

Bill No. 399, for the relief of Veronica Vera Bordenuik Reidt.—Mr. Hunter.

Bill No. 400, for the relief of George Gerald Melville Scally.—Mr. Hunter.

Bill No. 401, for the relief of Joseph William James Tanney.—Mr. Hunter.

Bill No. 402, for the relief of Aline Mailloux Simoneau.—Mr. Hunter.

Bill No. 403, for the relief of Margaret Violet Oswald Nicol MacIver.—Mr. Hunter.

Bill No. 404, for the relief of Irving Umansky.—Mr. Hunter.

Bill No. 405, for the relief of Veronica Forrester Rose Kennedy.—Mr. Hunter.

Bill No. 407, to incorporate the Canadian Union Conference Corporation of Seventh-day Adventists.—Mr. Croll.

QUESTIONS

TRANSFERS OF CIVIL SERVANTS—MOVING COSTS

Mr. Balcom:

When a civil service employee is transferred from one province to another, are moving costs and transportation paid as in the armed services?

Mr. Harris: When a civil servant employee is transferred from one province to another his moving costs and transportation are allowed and paid in accordance with the removal expense regulations, prescribed by the treasury board, that are applicable to civilian employees of the government.

Questions

LOBSTER TRAP INDEMNITY REGULATIONS, P.E.I.

Mr. Matheson:

Under the lobster trap indemnity regulations during 1954:

1. How many fishermen, by counties of Prince Edward Island, insured their lobster traps?
2. How many traps were insured?
3. What amount of premiums has been paid?
4. How many traps were lost?
5. What amount of indemnity was paid?

Mr. Sinclair:

1. No. of fishermen insured:

Kings	3
Queens	38
Prince	2
Total	43

2. No. of traps insured:

Kings	1,065
Queens	14,435
Prince	478
Total	15,978

3. Premiums paid:

Kings	$ 106
Queens	1,224
Prince	42
Total	$ 1,372

4. No. of traps lost:

Kings	548
Queens	3,296
Prince	123
Total	3,967

5. Indemnity paid:

Kings	$ 411
Queens	1,786
Prince	121
Total	$ 2,318

C.G.S. "WALTER E. FOSTER"

Mr. Bell:

1. Has the C.G.S. *Walter E. Foster* been returned to Saint John, New Brunswick, from its temporary duties in the gulf of St. Lawrence?
2. If not, when will the *Walter E. Foster* be returned to Saint John, New Brunswick?

Mr. Langlois (Gaspe):

1. No.

2. As the *Walter E. Foster* requires to have some work done in Montreal by the builders it is anticipated that the ship will not be ready to return to Saint John before July 15.

[Mr. Harris.]

ST. CYPRIEN, QUE.—TELEPHONE LINE

Mr. Perron:

1. Has the federal government made expenditures since 1947 for a telephone line in the district of St. Cyprien, county of Dorchester, Quebec?
2. If so, what amounts were spent each year by the federal government for such telephone line?

Mr. Langlois (Gaspe):

1. Yes.

2. 1948-49, $2,427.00; 1949-50, $1,600.00; 1950-51, $2,821.00; 1951-52, $2,488.50.

QUESTION PASSED AS ORDER FOR RETURN

COMBINES INVESTIGATION ACT

Mr. McCullough (Moose Mountain):

1. How many investigations have been made in the last three years under the Combines Investigation Act?
2. How many of these have resulted in prosecutions and/or fines?
3. What was the amount of the fine and the name of the company in each case?

CANADIAN NATIONAL RAILWAYS

PROVISION FOR REFUNDING OF FINANCIAL OBLIGATIONS AND ISSUE OF SUBSTITUTED SECURITIES

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure to provide for the refunding of matured, maturing and callable financial obligations of the Canadian National Railways and for the issue of securities guaranteed by the Dominion of Canada in respect of such refunding to an aggregate principal amount not exceeding $200,000,000.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to authorize the Canadian National Railway Company to make capital expenditures in the year 1955 not exceeding $123,508,334 and to make certain capital expenditures and enter into certain contracts prior to July 1, 1956; to authorize the national company to issue securities to provide amounts required for the authorized expenditures; to provide that, except as expressly provided, the aggregate principal amount of securities outstanding at any time shall not exceed $115,999,000; to authorize the governor in council to guarantee the principal and interest of securities issued by the company for

the purpose aforesaid; to authorize the Minister of Finance to make loans to the said company secured by such securities and not exceeding $115,999,000 in principal amount to enable the said company to meet such expenditures and with authority to give financial aid and assistance to other companies of the national system.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

GOVERNMENT EMPLOYEES COMPENSATION ACT

EXTENSION OF BENEFITS AND CHANGES IN ADMINISTRATION

The house resumed, from Thursday, May 12, consideration in committee of Bill No. 188, to amend the Government Employees Compensation Act—Mr. Gregg—Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Compensation.*

Mr. Gregg: Mr. Chairman, this bill was before the standing committee on industrial relations and from the study it was given there, it was decided that a clarification might well be made at two places in the bill. When we reach those, I shall ask one of my colleagues to move the amendments.

Mrs. Fairclough: Mr. Chairman, the amendments to which the minister refers now being in our hands, we are quite satisfied with them and will indicate our acceptance when the time comes.

I would just like to say one word about this bill in general. I know the minister recognizes the concern we feel about the phrase which occurs all through this bill indicating the province. "The usual place of employment" is the term ordinarily used. We are very much concerned lest any misunderstanding of the intent should at any time hold up payment or consideration of payment to an injured workman. We ask the minister to make sure there shall be no delay at any time, and that no controversy shall arise as to the province which shall have jurisdiction over any workman. The minister is given the power in this act to name the province. I hope that at all times the matter of settlement will be expedited, rather than have any workman suffer by reason of delay or confusion.

Clause agreed to.

On clause 2—*Compensation and persons eligible.*

The Chairman: May I point out to hon. members that clause 2 has been amended in the committee by the insertion of a comma after the word "Majesty" in line 27. Shall clause 2 as amended carry?

Mr. Churchill: That is not the amendment we understood was to be presented. It was not just the insertion of a comma, but a change in the phraseology.

Mr. Sinclair: I move:

That clause 2 of the bill be amended by deleting subsection 1 of section 3 of the said act as it appears in the bill and that the following be substituted therefor:

"3. (1) Subject to this act,

(a) an employee who

(i) is caused personal injury by an accident arising out of and in the course of his employment, or

(ii) is disabled by reason of an industrial disease due to the nature of his employment, and

(b) the dependents of an employee whose death results from such accident or industrial disease, are, notwithstanding the nature or class of such employment, entitled to receive compensation at the same rate and under the same conditions as are provided under the law of the province where the employee is usually employed respecting compensation for workmen and the dependents of deceased workmen, employed by persons other than Her Majesty, who

(c) are caused personal injuries in that province by accidents arising out of and in the course of their employment, or

(d) are disabled in that province by reason of industrial diseases due to the nature of their employment,

and such compensation shall be determined by the same board, officers or authority as that established by the law of that province for determining compensation for workmen and dependents of deceased workmen employed by persons other than Her Majesty or by such other board, officers or authority, or by such court as the governor in council may direct.

Mr. Winch: This is a small point, Mr. Chairman, and perhaps I may have misunderstood you, but as you read the amendment I noticed that the verb was "is" under (c) and then under (d) you said "are". Is there any reason for that difference or is that only a slip of the tongue?

The Chairman: May I read (c) and (d) again in order to remove any misunderstanding. They read as follows:

(c) are caused personal injuries in that province by accidents arising out of and in the course of their employment, or

(d) are disabled in that province by reason of industrial diseases due to the nature of their employment, . . .

And so on. The word "are" is used in both cases.

Mr. Winch: I understood you to say "is".

Amendment agreed to.

Clause as amended agreed to.

Clause 3 agreed to.

Government Employees Compensation Act

On clause 4 (renumbered as 5)—*Death of employee at place other than that of employment.*

Mr. Diefenbaker: This point has to do with clause 4. I should like to ask the minister whether he would give some consideration to adding the province of Saskatchewan to the province of Alberta as therein provided. The clause reads:

> Where an employee is usually employed in the Yukon Territory or in the Northwest Territories, he shall for the purposes of this act be deemed to be usually employed in the province of Alberta.

Great developments are taking place in the Northwest Territories immediately north of the northern boundary of Saskatchewan, and there will be further developments in the near future. Those developments being contiguous to the province of Saskatchewan, should any proceedings be taken in respect of compensation to a person entitled under the act, provision should also be made for the right of that person to have it regarded, for the purposes of this act, that he be employed in the province of Saskatchewan. I do not think any of the territories are north of the province of Manitoba, but if they are the province of Manitoba should be included as well.

I suggest that is in keeping with the developments that have taken place in the territories. A few years ago these developments were exclusively in the areas of the Northwest Territories contiguous to the northern boundary line of Alberta. Today, however, with the developments taking place in the Northwest Territories directly adjacent to the northern boundary of Saskatchewan, I ask the minister whether he would not consider adding the province of Saskatchewan in that section.

Mr. Gregg: This will become clause 5 if the amendment is passed, but perhaps you would permit me, Mr. Chairman, to answer my hon. friend on the point he has just made. I can tell him no representations were made to the standing committee on industrial relations with regard to the province of Saskatchewan with respect to compensation applicants from the Northwest Territories. I admit that strong representations were made on behalf of the province of British Columbia. But when consideration was given to all the factors it did seem to my department that a more expeditious carrying out of these applications could be done for the present at least through the province of Alberta. I can assure members from British Columbia, Saskatchewan and Manitoba that if as we go forward it appears there are advantages to be gained by having it done in several provinces rather than in one, I will certainly give full consideration to the matter if I am minister of labour, but I do not think it would be useful to do it at the present time.

[Mr. Winch.]

Mr. Diefenbaker: Would the minister explain why it is more expeditious for a person coming within the ambit of the act and working immediately north of the northern boundary of Saskatchewan, for example, to be deemed to be employed in the province of Alberta? As I recollect the statistics I have seen, at least half of those employed are from the province of Saskatchewan. Why should those people, for the purpose of so-called convenience, be deemed to be employed in the province of Alberta? I can understand section 5 very well. It states:

> Where an employee, other than a person locally engaged outside Canada, is usually employed outside Canada he shall for the purposes of this act be deemed to be usually employed in the province of Ontario.

I can understand the reason for not having a multiplicity of loci for employment purposes, but I cannot understand why there should be this concentration of development in the Northwest Territories into the province of Alberta. I feel this is happening not only in connection with the matter before us now but with regard to other matters. I think the minister might give consideration to the request, which in my opinion is reasonable. Certainly the experience in the last couple of years of those of us who live in Saskatchewan has been that there is a continuing channelling of the development in the Northwest Territories and also in northwestern Saskatchewan into Alberta.

I believe this is not an unreasonable request. Certainly an equal number, if not most, of the employees in the areas north of Saskatchewan are from Saskatchewan, and there is no justification whatever for deeming them to be usually employed in the province of Alberta. I know that practically all the developments taking place in northern Saskatchewan, and even in Saskatchewan as a whole, are being by-passed in favour of developments in the city of Edmonton and the province of Alberta. While that city is represented in the government by a minister who is concerned with northern development, nevertheless we in Saskatchewan believe—and believe fairly, I suggest—that we have a right to consideration; and that area of northern Canada which will become greater as the years go by should not, by legislation or otherwise, be channelled into any one direction, namely in the direction of the city of Edmonton.

When I make this statement I am expressing a view held generally in Saskatchewan, without regard to party considerations. We believe these developments contiguous to our province should not be considered as the monopoly or the right of a province not contiguous to the areas in question.

At the moment I am not considering an amendment, but I do feel that the minister's argument, when he says it would be more expeditious for a person north of Saskatchewan to have to go into Alberta to have his claim considered under the compensation laws there provided for government employees, has behind it an explanation other than the convenience of the individual. I would ask the minister to explain how it is considered there would be any added convenience for an employee in the area north of Saskatchewan, where major developments are now taking place, to do as he has suggested. I would ask him to tell the committee why it would be more convenient that such person be subject to the law of Alberta, as a resident of that province would be.

Mr. Winch: Mr. Chairman, on this same subject—and I am speaking with a view to obtaining information rather than of making a statement—I understood the minister to say that the procedure he has suggested would be more expeditious. I understood him to say that both the Northwest Territories and the Yukon would be considered in this instance as coming under the workmen's compensation act in Alberta.

I cannot understand why this should be so, and I am asking the minister for some enlargement of his earlier statement. The Yukon is north of British Columbia. All the systems of transportation to the Yukon go through British Columbia, either along the Alaska highway, or by the air lines from Fort St. John. Therefore I suggest that, from the standpoint of operating with expedition, communication by transportation passes through British Columbia either by road or by air.

Then in addition I believe the workmen's compensation act in British Columbia is just about the best to be found anywhere in Canada. I suggest, therefore, that from the standpoint of expedition and equity in the matter of transportation, and from the standpoint of the excellence of British Columbia workmen's compensation legislation, these claims should be handled by the province that is closest. I fail completely to understand the statement by the Minister of Labour, and I hope he will explain not only what he means but how his department came to the conclusion he has indicated today.

Mr. Knight: Mr. Chairman, I rise to support the hon. member for Prince Albert and the hon. member for Vancouver East. I can see no reason why Alberta should be selected for the purpose indicated. I do not know what the minister will think of my suggestion, but I am wondering why the section should not read in this way:

> Where an employee, other than a person locally engaged outside Canada, is usually employed outside Canada, he shall for the purposes of this act be deemed to be usually employed in the province immediately south of his location in the Northwest Territories.

I do not see why any one province should be picked out in this instance. And I certainly agree with some other statements made by the hon. member for Prince Albert in this connection. If we are going to select any province I cannot see any better argument for selecting Alberta than there would be for the selection of any other province, including Saskatchewan.

Mr. Gregg: Mr. Chairman, this matter is of importance, of course, but I wish to point out that it will have no importance in the development of the province in which these claims are handled.

During 1954-55 we have had in the Northwest Territories a total of 294 claims, 156 of which required only local medical aid. Since I brought in the amendment before—and, by the way, this is not a new amendment; it is just a carrying forward of existing procedure—the matter has been very thoroughly worked out with the government of the Northwest Territories and with the department of government here in Ottawa responsible for their administration.

There were a number of factors to be considered. For instance, the ordinances of the Yukon and of the Northwest Territories are based upon Alberta rates. It is basic, of course, to this legislation that the benefits be similar to those available to workers in the same area. If one were to take the relatively small number of accidents that occur among federal government employees in the northwest country and were to have the employees of some companies claiming in British Columbia, others in Alberta and others in Saskatchewan, I am quite sure it would make for more delay than if they were to be done through one channel.

It is not necessary, of course, for an applicant to travel to make his claim. He can make it where the accident takes place. The experience we have had and the discussions which have taken place in the committee would indicate that at least for the present the suggested procedure would be in the best interests of the claimant. It is not because of the benefit to the administration, but

rather because we can give better service to the claimant who suffers an accident and submits a claim on account of that accident.

Mr. Winch: I do not wish to hold up this legislation, but I would ask the minister to explain why he considers this is for the benefit of the claimant. What is the advantage for the claimant who is injured in the Yukon or in the Northwest Territories when his application must go through Alberta? I agree with the minister when he says there is no advantage to any province that handles these cases, because the federal government reimburses that province only to the extent of the actual expenditures and a share of the administration costs, in accordance with the amount of work that has to be done. Actually it is an added burden on a province; therefore I am looking at it only from the point of view of the person who is injured. From that point of view, and that alone, I maintain that in the interests of the claimants they should be permitted to go to that province that can give them the best return. And I say, with all due respect to Alberta and Saskatchewan, that British Columbia can do that. Where is the advantage to the claimant who must go through Alberta, and not through Saskatchewan or British Columbia?

Mr. Gregg: Mr. Chairman, I can give that at once. If the legislation required that the applicant should go through the province immediately to the south, British Columbia, Alberta or Saskatchewan, it would be necessary to take a map of the Northwest Territories and say that those who are working within certain limits shall go to Saskatchewan, and none other. Those who are working in those limits shall go to Alberta, and none other. I can visualize prospectors flying over the Northwest Territories, not knowing when they pass those imaginary lines. It would be a very great deal of work to undertake for a very small amount of employee compensation work involved.

Mr. Winch: Where do prospectors come in under this act?

Mr. Gregg: Employees of the federal department of mines who may be prospecting in the north country would certainly come under this act.

Mr. Diefenbaker: Perhaps the minister can explain the difference between the workmen's compensation acts in the provinces of British Columbia, Alberta, Saskatchewan and Manitoba? Is there any difference between the acts? If so, in what particular; for in determining the matter of expedition I do not think the minister answers the criticism when he says that after all there are not going to be many cases. Everyone will join with him in the hope for a minimum of accidents. Why do you choose the province of Alberta? Has it a better workmen's compensation act than the other provinces? Can the minister say in what particular the act is better? If the act is not better, there is no serious difficulty in the way of altering the section to read, "in the province directly south of the place where the accident has taken place", or words to that effect.

The minister said you would need a map. Well, that is not very difficult. You know what the parallels are. If it is within a certain parallel, then it is the province of Saskatchewan; if it is within another parallel it is the province of Alberta, or the province of British Columbia. I repeat, this is another example of what we in the province of Saskatchewan most definitely resent, namely the concentration of developments in the northern parts of Canada adjacent to our province which are more and more forcibly, and under legislation and direction, finding their way from our province into the province of Alberta.

The Chairman: Shall the clause carry?

Mr. Winch: I have one more question. I am very interested in this matter. Just what were the strong representations that were made by the province of British Columbia? I have not seen them. The minister said strong representations were made. May I ask what they were?

Mr. Gregg: Mr. Chairman, they were very much the same as my hon. friend has made to this committee, but they were by members from the province of British Columbia before the standing committee on industrial relations.

I should also like to tell the hon. member for Prince Albert that the primary consideration in this matter, in the opinion of the members of the committee, and in the opinion of the department, is the speed with which a claim may be processed and the applicant taken care of. I will state to him in general terms that the workmen's compensation benefits in the province of Alberta are not quite equal to those of the province of British Columbia or of the province of Saskatchewan. The difference, however, is not very great.

Mr. Diefenbaker: Apparently the minister himself had some doubts as to the efficacy of his rule of thumb, for I see that under clause 10 a substitution is to be made. A little later the following provision is to be made:

> Subject to the approval of the governor in council, the minister may make regulations for determining, for the purpose of this act, the place where an employee is usually employed . . .

Why is the minister, by order in council, to have the power to override clause 4, which provides that the employee shall be deemed to be usually employed in the province of Alberta? Clause 10 provides that the minister may make regulations for determining, for the purpose of this act, the place where the employee is usually employed. Why does the minister ask for the power in a later clause to override the absolute powers of clause 4?

Possibly he can explain that at this time. It might clarify the reasons for clause 4; for it seems strange to me that in one section of the act provision is made that such and such a province shall be deemed to be the place where an employee is usually employed, and then another section provides that the governor in council may, by order in council, make regulations for determining, for the purposes of this act, the place where an employee is usually employed. To me that does not seem to make sense. Why the definite provision in one section, and in a later amended section the provision that the governor in council may himself alter the express words of a statute?

That is another power we did not object to at the time, but it is certainly a most unusual thing to say in one section that a person shall be deemed to be resident within a certain province as far as the application of the act is concerned, and then in another section that the minister, through the governor in council, whatever the actual words of the statute may be, may change them at his whim for any reason. I cannot understand why there should be any insistence on the provision that for the purposes of this act the person shall be deemed to be usually employed in the province of Alberta. Why is it so necessary to make explicit reference to the particular province unless there is some purpose in mind?

Expedition does not appeal to me, which is the argument the minister put forward. It is equally expeditious whatever the western province may be. I suggest that the Alberta compensation act is believed by his departmental officials or himself to be a more effective or efficient act than the acts of the other provinces. If that is the reason, then let us have the information. It will clarify the matter a great deal.

Mr. Gregg: The clarification of the expression "usually employed" in the discussions of the standing committee had no particular relation to the item which is now before us, namely the matter affecting the Northwest Territories. It was felt by the committee that there might need to be a clarification of that expression "usually employed" as it appears in various places in the bill. In order that this might be done, whether the accident took place within Canada or whether it took place in another part of the world with respect to a Canadian civil servant, there should be authority to make a clarification, if it should be necessary; but it has nothing particularly to do with this matter of the Northwest Territories.

Mr. Winch: I still have one more question to ask the minister, because I think it is only right that hon. members should have a clarification of what is meant and what the plans of the department are. In my day I have had a good deal to do with many hundreds of workmen's compensation cases. I can see some of the problems under this section. If the section goes through the way it is now and a person is injured in the Yukon or in the Northwest Territories, will he be considered as coming under the compensation act of the province of Alberta? What are the particulars the department has worked out in the case of a person injured in the Northwest Territories who becomes either a total disability case or a permanent partial disability case?

I am certain the minister must know that if an injury occurs in a certain province, or in this case in a territory, it would have to go through the province, but the home of that person may be somewhere else. He may be on partial disability or total disability, and then he would come under the compensation laws of that province, in this case the province of Alberta.

If his home were in British Columbia—and I imagine as far as the territories are concerned there must be quite a few who consider their homes to be in that province—if further medical examination or attention were required, or if there were to be an adjustment in the degree of disability, then the board of that province could function only with the authorization of the workmen's compensation board of Alberta.

Although the number of injuries that might occur in the Northwest Territories or the Yukon would likely be small, I would imagine the majority of those concerned would not be residents of Alberta. I think we should hear from the minister whether consideration has been given to that phase of the problem, and what determination has been arrived at as to how these cases can be handled. Is the situation to remain as it is now, so that no matter whether a man is a TD or PPD he will have to go through the province of Alberta in order to obtain any adjustment in the way of medical attention or hospitalization?

Mr. Gregg: Mr. Chairman, if my hon. friend will look up certain portions of the proceedings of the committee—I will send him the page numbers—I think he will find a complete reply to his question. Under the old act, if a man were injured in the Northwest Territories he came under the laws of Alberta regardless of where his home base was. The intention of this bill is to provide that federal government employees working in the Northwest Territories or the Yukon who are injured will come under the laws of the province in which the federal department establishment under which they are employed is located.

If an official from Ottawa who is on a department establishment here proceeds to the Northwest Territories and meets with an accident, he will receive compensation under the Ontario laws. The same thing would hold true if he were a federal civil servant who proceeded from Vancouver or Victoria to the Yukon and met with an accident. The man injured would come under the laws of the province in which he was usually employed, in that case British Columbia.

There was a long discussion in the committee because there was some fear that there might be a misunderstanding of the phrase "usually employed". The minister was given the right to work out regulations to cover that point. If a government employee was usually employed and had his base in Saskatchewan and was injured while working in the Northwest Territories, he would come under the provisions of the Saskatchewan law. Only those working under establishments or in federal offices located within the Northwest Territories come under this special dispensation applying to Alberta.

Mrs. Fairclough: Mr. Chairman, perhaps at this point I could ask the minister a question. As the minister has said, this point was the subject of considerable discussion in the committee. I think the reason it did not have more discussion was that members from British Columbia did not oppose it too strongly, though it was mostly British Columbia members who objected to it.

I think there should be some clarification of this situation. Both in the standing committee and in the committee of the whole the minister has referred to the phrase "usually employed" as meaning the place from which the pay cheques are issued. I should like to know how many federal offices there are in the Yukon and the Northwest Territories.

Mr. Gregg: I do not believe I have that information here. There are offices of the unemployment insurance commission, and there would be offices of the Department of Mines and Technical Surveys. I could get that information, but the number of federal employees in offices there would not be very large.

Mrs. Fairclough: I am not concerned with the number of employees, I am concerned with the number of offices located there from which employees would receive pay cheques.

Mr. Gregg: I have not that information.

Mrs. Fairclough: I imagine there would not be very many.

Mr. Gregg: My guess would be probably eight or nine federal departments.

Mrs. Fairclough: If that is the case that would seem to wipe out the minister's argument that you would have to draw a map. If there are only eight or nine offices all you would have to do would be to make a list showing that this one belonged to Alberta, that one belonged to Saskatchewan, this one to British Columbia and so on. As the minister has said, if a man is injured in a particular part of the country it does not necessarily mean under this act that he will be dealt with in the place where he is injured. As a matter of fact this act would take him away from the place where he was injured and put him under the jurisdiction of the province in which he is usually employed.

I think all you would have to do to clarify the matter would be to delete this subsection, then simply name the offices located in the Yukon or the Northwest Territories and allocate them to the nearest province. I believe it is as simple as that.

Mr. Johnston (Bow River): When we were in committee we spent a tremendous amount of time dealing with this particular section, and after a great deal of debate and argument the minister brought in an amendment which met with the unanimous approval of the committee. As far as I can remember everybody seemed to be satisfied. I think the hon. member for Prince Albert was somewhat confused, because as I understood him he seemed to think this had to do with natural resources. Of course it does not deal with that.

The purpose of this act is to provide that those who are usually employed—I am using that phrase in the meaning of the amendment—in British Columbia will now be cared for under the British Columbia Act; those who are usually employed in Nova Scotia will come under the Nova Scotia legislation, but those who are usually employed in the Northwest Territories or the Yukon will come under Alberta. It is merely a matter of convenience of administration.

As the minister has pointed out, there is some difference in the compensation rates of British Columbia, Saskatchewan and Alberta, but the difference is quite small. It would apply only to those few cases where the employees are based in the Yukon or the Northwest Territories. I cannot see any necessity to do away with this section. We went over all this very carefully in the committee and the minister brought in an amendment which I think met with complete agreement, and I do not see why we should thrash out the whole thing again.

Mr. Byrne: If the hon. member for Prince Albert and the hon. member for Vancouver East had been on the committee I think I would have had more support for my suggestion, and it would have done away with any controversy that might arise over this very question. I suggested that we should have a uniform compensation act to cover civil servants right across Canada. I see no reason why the civil servant who happens to be working in British Columbia should receive benefits which are above those received by those residing in Alberta, or New Brunswick, for that matter.

If the administration, investigation and so on are to be left in the hands of the provinces I think we in this parliament could write a compensation act that would be all-embracing and as good as that of any of the provinces. Then all this discussion would have been unncessary. But I did raise the question also of the Yukon being connected more closely with the province of British Columbia, and that therefore the administration would be simpler if it were handled through British Columbia. The minister gave a satisfactory answer to that question, and in view of the fact that we do not have all-embracing legislation we could well accept this clause as it now exists.

Mr. Diefenbaker: Mr. Chairman, I am not going to argue the matter, but I must say that I am very much impressed with what the hon. member for Kootenay East has said, that as far as employees in the Northwest Territories are concerned, in those areas outside of the provinces, there is no reason whatever why there should not be a workmen's compensation act applicable to them. Such a workmen's compensation act of course could not be made applicable by a federal statute to causes of action that might arise among federal employees within the several provinces.

However, I brought this matter up, not having been present in the committee and not knowing it had been brought up, simply to direct attention to the fact that we have seen this as a regular course in Saskatchewan, that for some reason or other these great developments that are taking place in areas north of our province, both as regards shipments out of the goods that are produced and shipments in of the necessary machinery, manpower and the like, seemed to be definitely removed from the ambit of any company operating in Saskatchewan and to be definitely directed through the city of Edmonton, regardless of whether or not it was more convenient. This is but one further indication of the type of thing to which we take strong exception in the province of Saskatchewan.

Having said that, I do not want to belabour the matter but I do tell the minister that he certainly finds himself in a most paradoxical position. In section 4 it is definitely established, if the present section passes, that the person shall for the purpose of this act be deemed to be usually employed in the province of Alberta. In section 10, if that section is passed, the minister will be able to say that section 4 does not apply, and by order in council he may direct that the person shall be considered to have been employed in some other province. That looks to me like draftsmanship that has not been very carefully done. It certainly will create definite difficulties in future cases.

Having said that, in order to bring the matter to a head and in order to cover the situation referred to by my hon. friend from Saskatoon, I move that all the words after "employed" in section 4 be deleted and the following substituted therefor: "in that province which is south of the area in which the accident occurs". It would then read:

> Where an employee is usually employed in the Yukon Territory or the Northwest Territories, he shall for the purposes of this act be deemed to be usually employed in that province which is south of the area in which the accident occurs.

Mr. Johnston (Bow River): May I ask this question in that regard. Suppose a person is usually employed in Nova Scotia, would that case automatically be handled by the province which is immediately to the south? Supposing they were in a section north of Saskatchewan; their case would then be handled by Saskatchewan?

Mr. Diefenbaker: That is correct.

Mr. Johnston (Bow River): Then we are in exactly the same position the hon. member for Prince Albert is complaining about. He is complaining because some of those who happen to be north of Alberta or north of Saskatchewan are going to be dealt with by Alberta, but he has no objection whatever to those living in Nova Scotia being handled by Saskatchewan if they happened to be working north of Saskatchewan. That is not solving the problem either. Some of

those people living in Nova Scotia might want to be serviced in British Columbia, for instance, and they may be working immediately north of Saskatchewan. What is he going to do with them? That is not going to help the problem. It is just going to create confusion.

Mr. Gillis: Mr. Chairman, as far as I can follow this discussion, the trouble is that most of those taking part in the discussion are a little too provincial-minded. This is not a provincial act; this has to do with federal employees. Regardless of where that federal employee is farmed out, the employer is still the federal government. The minister, in the amendments he brought in, has cured the fears that we had in committee.

I was a member of the committee. We discussed this for a long time and we sent the minister back with this, and be came back with it at another meeting. What the hon. member for Prince Albert is complaining about is exactly what we complained about, but I believe the minister cured it in section 10. That is why section 10 was brought in.

Mr. Diefenbaker: Why have section 4? Why should section 4 not be entirely deleted?

Mr. Gillis: It was because of the wording of section 4 that we made the suggestion to the minister. He proved to the satisfaction of the committee that the adjudication of claims that occur in the Yukon and Northwest Territories are more easily handled at the present time through Edmonton than any other section that has a region set up for compensation purposes. It was suggested in the committee that that may be all right now, but it may be changed in future. Under section 4 of the act it is mandatory that they still remain in Edmonton.

Then it was suggested that there should be more flexibility as far as the minister and his department are concerned, and that there should be a provision that would give him the opportunity to change by regulation the place where the person was usually employed if other circumstances arose before this act was gone into again. It was because of section 4 that section 10 was brought in. If the hon. member would read it I think he will realize that if later there are changed circumstances, if the minister deems British Columbia or Saskatchewan the proper centre for the employees under discussion, then under section 10 he has power to make the change without coming back to another committee and to the House of Commons. If you will read section 10 again I think you will realize that it cured the matter as far as the committee was concerned.

[Mr. Johnston (Bow River).]

Let me put this section 10 on the record once more. I hate to be arguing legal points with my hon. friend, because this is not my field. This provision is aimed at bringing flexibility into clause 4, which is firm as far as the adjudication of claims that arise in the Northwest Territories is concerned. Section 10 reads as follows:

> Subject to the approval of the governor in council, the minister may make regulations for determining, for the purposes of this act, the place where an employee is usually employed, and generally for carrying the purposes and provisions of this act into effect.

After listening to the discussion, as we did for several days, and after the discussion we have now had, I think the hon. member for Prince Albert will agree that because of the firmness of section 4 in providing that the adjudication had to be done in Alberta, this section 10 now gives the minister the power to make a change if he so desires, if it is more advantageous to have the adjudication done in British Columbia or Saskatchewan.

As to employees coming under this act, first they are employed through the federal government here in Ottawa, and you have them from Newfoundland clear out to the Northwest Territories. It is for the purpose of providing some adjudication machinery that this act is written. By and large I think most of these people will be centred in Ontario anyway because, no matter what department it is, they take their employment through the civil service commission or the department right here in the city of Ottawa, and they are sent out from here. If they are injured in the Yukon or in Newfoundland they automatically come back to Ontario for adjudication. It is only the odd one you run into that might cause friction, as anticipated by the discussion here this afternoon. I want to say that this act is a great improvement over the old one.

Mr. Diefenbaker: That is right.

Mr. Gillis: The main discussion in the committee was on the point that has been discussed this afternoon. But in the judgment of the committee the establishment of section 10 has given the minister the necessary administrative latitude to cure the occasional situation that might arise under section 4.

I believe the bill without any amendment serves the purpose for which it was intended. I could not support any change such as that suggested by the hon. member for Prince Albert. After writing in that word "south", when you sit down and write a claim the first thing you have to do is consult a compass

and say, "Exactly where am I in relation to this claim?" I think the provision is flexible enough as it is now.

Mr. Diefenbaker: Mr. Chairman, I appreciate all that my hon. friend has said with regard to the purpose being to make this legislation flexible. But what you do, if you pass it in its present form, is this. At the moment I am not speaking of the amendment; I am replying to my hon. friend. You have section 4, which definitely says:

> Where an employee is usually employed in the Yukon Territory or the Northwest Territories, he shall for the purposes of this act be deemed to be usually employed in the province of Alberta.

Section 10 says the minister may, by order in council, make regulations for determining, for the purpose of this act, the place where an employee is usually employed. Those are contradictory statements. You cannot have both. If you are going to have section 10, then I submit for the consideration of the minister that section 4 should read in this way:

> Subject to the provisions of section 10, where an employee is usually employed in the Yukon Territory or the Northwest Territories, he shall for the purposes of this act be deemed to be usually employed in the province of Alberta.

In other words, in the event that no order in council is passed section 4 will be the determinant. But section 4 will only be the determinant subject to the provisions of section 10. I mention that point because I think the minister should give further consideration to that section, even though the amendment I suggest be not adopted by the committee.

The Chairman: Perhaps I should clear up a procedural point before we go any further with our discussion. Clause 2 of this bill deals with sections 3, 4, 5 and 6 of the act. I called clause 2 of the bill. The Minister of Fisheries moved an amendment to clause 2, which was carried. I then called clause 2 as amended and clause 2 as amended was carried.

Mrs. Fairclough: No.

An hon. Member: Yes.

The Chairman: I then called clause 3 of the bill and clause 3 was carried. I then called clause 4 of the bill which was a clause added by the committee. At this point the hon. member for Prince Albert rose and commenced to discuss section 4 of the act, which is a part of clause 2 of this bill. I raised no objection and the committee raised no objection because, as can be seen from the printing, it was a natural mistake to have occurred. At the present time I take it that, by consent, the committee is dealing with clause 2 of this bill. We are dealing with *Government Employees Compensation Act* an amendment moved by the hon. member for Prince Albert to a part of clause 2, namely section 4 of the act.

Mr. Diefenbaker: That is right.

The Chairman: I have the amendment before me, but I need further clarification. Will the hon. member for Prince Albert kindly let me know whether he refers to the first "employed" or the second "employed" in the wording of the original section?

Mrs. Fairclough: The hon. member for Prince Albert can correct me if I am wrong, but it is my understanding that the amendment he first moved is to be replaced by an amendment which would add to this section the words "subject to the provisions of section 10".

Mr. Diefenbaker: That is right.

The Chairman: This situation leads me to request hon. members in future to draft their amendments with as much particularity as possible. The amendment I have before me is apparently to a part of clause 2 where we are dealing with section 4 of the act. The words I have before me are these:

> That all the words after "employed" be deleted and the following substituted therefor:
> "in that province which is south of the area in which the accident occurs".

If I use those words after the first "employed" in the original section I arrive at this result:

> Where an employee is usually employed in that province which is south of the area in which the accident occurs . . .

I thus arrive at a section which has no meaning whatsoever. On the other hand, I can find some meaning if I apply this amendment after the second "employed" in the section. It would then read as follows:

> Where an employee is usually employed in the Yukon Territory or the Northwest Territories, he shall for the purposes of this act be deemed to be usually employed in that province which is south of the area in which the accident occurs.

Mr. Diefenbaker: In view of the discussion which has taken place, if I may be permitted to do so I should like to withdraw the amendment I moved. May I have the consent of the committee?

The Chairman: Has the hon. member permission to withdraw his amendment?

Some hon. Members: Agreed.

Mr. Diefenbaker: I then ask to amend section 4 by adding these words:

> Subject to the provisions of section 10 hereof,—

That is at the beginning of the section, which continues as follows:

> —where an employee is usually employed . . .

And so on. I move that amendment so we shall not be in the position of having passed two sections which are completely divergent, contradictory and paradoxical. I suggest that the minister give consideration to that point. Otherwise you have a definite section, then later on you say the section can be changed by the governor in council. I submit that the wording therefore should be:

Subject to the provisions of section 10, where an employee is usually employed . . .

And so on. I so move.

Mr. Johnston (Bow River): I think I understand now what the hon. member for Prince Albert means, but I cannot see why the amendment is necessary. I would take it that wherever the word "usually" is used section 10 applies and the minister may use his discretion in naming the place where the man was usually employed. It seems to me that is so clear that confusion may be created if we amend section 4 in the way proposed by the hon. member for Prince Albert. I understand his meaning and I think I know what he has in mind, but it seems to me that his endeavour to put that meaning into the legislation does add confusion. Maybe the minister can state when he is answering whether or not my interpretation of section 10, which he himself brought in, is correct.

Mr. Gregg: I am certain that the explanation given by the hon. member for Prince Albert was not in the minds of the members of the committee when they asked me to work out an amendment to section 4 which would be a new section 10 of the bill. To my mind it is a very simple amendment. Perhaps it may not be the answer, but it was put before the standing committee with the intention of providing a means to deal with cases where there might be difficulty in defining the words "usually employed". It has no special application to the Northwest Territories as such. It applies to the whole administration of the act. In the light of the thought given to the matter not only by the officials and law officers but by the standing committee, I think we would be much happier, when the bill becomes a part of the act, if the wording were to remain as it is now.

Mrs. Fairclough: I cannot agree with that. I am sure every member of the committee who took part in its deliberations realized that this was a very confused piece of legislation from start to finish. We could not agree on what was the place of usual employment. The wording of the old act, which referred to the place where the worker was ordinarily resident, had been changed, though many of us thought the expression in the old act was the better term. We could not see that changing it to the place of usual employment was any improvement, and it created the difficulties we have encountered today. I think even this committee is now confused as to what is the place of usual employment.

The minister has said repeatedly that the place of usual employment is wherever the pay office is situated, the place from which the man gets his pay cheque. I am sure that has not been in the minds of most of the people who have spoken this afternoon, and I agree with the hon. member for Prince Albert that section 4 of the act which is amended by clause 2 of the bill certainly comes into conflict with the amendment which will now be clause 4 of the bill.

I fail to grasp the reason for any opposition to including the words, "subject to the provisions of section 10." It seems to me it merely clarifies the intention of section 10 and does away with the possibility of an administrative officer saying some time in the future, "There is your section 4 and it stands. If your place of usual employment is the Yukon or the Northwest Territories, then you are governed by section 4", without ever turning over the page and looking at section 10. I think there should be a reference in section 4 to section 10 because, as the minister has said, the whole idea of including section 10 is to clarify section 4, so why not say so right in section 4?

Mr. Barnett: Mr. Chairman, I listened to the proceedings of the committee that dealt with the bill. Although I was not a member of the committee I was an observer of the discussion that took place, and it appeared to me that in certain quarters there was a good deal of unnecessary misunderstanding of the references in the bill to the place where a person is usually employed. To anyone familiar with the manner in which provincial workmen's compensation laws are carried out that is a well known and well understood term. It has been in common use, as far as the workmen's compensation act of British Columbia is concerned, for a number of years, ever since the arrangement came into being changing the method of paying compensation from the province where the accident occurred to the province where the workman was usually employed. As far as I am aware there has been no difficulty in reaching an understanding of the meaning of that term in relation to people coming under the jurisdiction of the workmen's compensation act of British Columbia.

There was a good deal of discussion in the committee with respect to the matter of jurisdiction in the case of employees of the federal government in the Yukon and the

Northwest Territories. I listened to the discussion, and as I understand the situation brought about by the amendment now before us, if we apply the proposed section 10 to section 4 we are in effect giving the Minister of Labour a new administrative latitude which was not the intention of the minister when he introduced the proposed section 10 in the committee. As I understand the situation, when the minister introduced the proposed section 10 in the committee it was for the purpose of giving him the power to define the term "usually employed" if any misunderstanding should arise as to what was intended by that term. It was for that purpose only and really had no relation, as I understood it, to this section dealing with place of employment in the Northwest Territories.

I think we should be clear. As far as I am concerned I have no objection to giving the Minister of Labour the right, if certain developments should take place that make it desirable, to fix the place of usual employment for people in the Yukon and the Northwest Territories in a province other than Alberta. I would be quite prepared to support that move.

Having listened to the argument, I think the minister is on sound ground in leaving Alberta as the primary place for the time being. But that might not necessarily continue to be the case. On the other hand, it does seem to me that if you attempt to correlate the proposed section 10 with the provisions of section 4, which refers to the Yukon and Northwest Territories, you are creating an understanding which I certainly did not believe to be the purpose of the minister when he introduced it in the first instance.

Amendment (Mr. Diefenbaker) negatived: Yeas, 9; nays, 47.

The Chairman: I declare the amendment lost. Shall clause 2 as amended carry?

Clause 2 as amended agreed to.

Clause 3 agreed to.

On clause 4—*Regulations.*

The Chairman: This is clause 4, which was added by the committee on industrial relations. I shall read it:

4. Section 10 of the said act is repealed and the following substituted therefor:

10. Subject to the approval of the governor in council, the minister may make regulations for determining, for the purposes of this act, the place where an employee is usually employed, and generally for carrying the purposes and provisions of this act into effect.

Shall clause 4 carry?

Mr. Churchill: Mr. Chairman, in committee I raised objection to this clause, because I thought it was putting under a regulation the method of interpreting the meaning of words in the statute. I said in committee that this doubtful expression, "usually employed" should be defined in the interpretation section. I thought it was a rather new departure to give the minister freedom to interpret a phrase in a bill. In fact I believe it is a fault in drafting, which I recognize as a difficult art, that there should be so much confusion over the use of the expression "place of usual employment". I wish to record my objection to this method of interpreting that phrase.

Clause agreed to.

The Chairman: Then clause 4 in the bill has been renumbered by the committee as clause 5. Shall clause 5 carry?

Clause 5 agreed to.

Bill reported, read the third time and passed.

GREAT LAKES FISHERIES

MEASURE TO IMPLEMENT CONVENTION BETWEEN CANADA AND UNITED STATES SIGNED SEPTEMBER 10, 1954

Hon. James Sinclair (Minister of Fisheries) moved that the house go into committee to consider Bill No. 279, to implement a convention on great lakes fisheries between Canada and the United States.

Mr. J. W. Murphy (Lambton West): Mr. Speaker—

Mr. Deputy Speaker: Order. The motion for the house to resolve itself into committee of the whole upon a bill is not debatable.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Short title.*

Mr. Murphy (Lambton West): Mr. Chairman, I should like to make a few observations at this time, mainly as a result of the very illuminating evidence we heard the other day in the fisheries committee. For the benefit of those who may not be as familiar with the situation as those of us who heard that evidence, may I say it was revealed that as a result of the lamprey menace in the great lakes the trout fishing in lake Huron is now completely ruined. That industry was valued at $5 million a year, was engaged in by both Canada and the United States, and has now practically disappeared. The federal department of fisheries in conjunction with the corresponding department of the United States

are now making a joint effort to stamp out the lamprey menace and put the fishing industry of the great lakes back on a paying basis.

It is unfortunate that this action was not taken years ago, because the trout fishermen are suffering a heavy annual loss, and until the industry is restored in that area the loss will continue. I am glad to see the Minister of Finance in his seat, because he has never been too far away from the great lakes, and would be more familiar than most with what is taking place there. Under the convention the two senior governments are going to undertake this joint effort, which had been carried on previously by eight states in the United States and by Ontario in Canada.

The evidence in committee disclosed that weirs have been constructed in creeks and streams up which the lamprey have gone to spawn. The evidence disclosed that in their last year the lampreys grow from a length of four or five inches to 18 inches, having fed mainly on trout. It is when they go up to spawn that the challenge is placed before the two departments concerned. What alarms me is that the situation had reached a point where it was almost beyond immediate control by any department, simply because research work was not undertaken years ago when it was learned that the lamprey was becoming a curse to the fishing industry. With the situation today, even if all the eels going up to spawn are caught it will still be seven years before the evil can be stamped out.

We find in the estimates for the Department of Fisheries, under item 145, a vote of $355,000 to provide for the share of this federal government in the administrative expenses of the great lakes fisheries research committee established jointly with Ontario. This sum is also to provide for a program designed to eliminate lampreys in the great lakes.

Evidence in the committee disclosed that $50,000 a year has been set aside for research work, part of this sum to be paid by Ontario and part by the dominion. No doubt a greater sum will be paid by the agencies in the United States because, after all is said and done, one of the great lakes, namely lake Michigan, is in their country. Lake Michigan has been infested with this curse to the same extent that lake Huron has, so I would assume that in due course they would pay more than we ought to pay. It appears that the program calls for work to be done in lake Superior, to hold the line at the more southerly end of that lake where it empties into the lower lakes. I agree that this is sound business. I do not agree that no attempt should be made to eliminate this curse in lake Huron and re-establish the fishing industry there on a sound basis.

It appears that there are some 50 streams in the north channel of lake Huron up which these lampreys go to spawn, and apparently these are the only streams up which they go. That in itself is important. I was worried for fear that they were spawning all over in the different streams of the different lakes. They told us in the committee that these weirs or contraptions they have for destroying the lamprey cost anywhere from $5,000 to $10,000, depending on the proximity to accessible roads and that sort of thing. That would be the cost in lake Superior.

It has not been my practice at any time since I have been a member of this house to ask any department of government to spend money just for the sake of pleasing somebody who thinks it should be spent. Here is an industry that is very important to a great many people. It needs to be invigorated. I am going to make a suggestion to the minister in the hope that he can persuade his colleagues on the front benches to accept it. I hope it meets with his approval because, after all is said and done, if one part of our national economy is disturbed or crucified to the extent of $5 million annually it affects the whole economy.

I know the minister would be only too anxious to re-establish the trout industry without delay. It cannot be done overnight. I am very glad this action is to be taken without further delay. While the scientists do not claim to have perfected a device to completely destroy the lamprey, they are working on different projects. As a matter of fact one of the witnesses suggested that through some electrical means, or sound waves, they might be able to exterminate the lamprey without injuring any other fish.

I said these weirs or contraptions cost anywhere from $5,000 to $10,000. I am going to suggest that the minister place in the supplementary estimates an amount sufficient to take care of weirs on these 48 or 50 streams where they know probably 90 per cent or even more of the lamprey go to spawn. We all agree that the attack must be made in lake Superior to hold the line. But let us at the same time re-establish the fishing industry in the other great lakes, particularly the trout industry.

One may say that the fishing industry in the great lakes is greater in poundage and in dollars and cents than it has been in the past. I admit that. A great many fishermen are fishing oftener and are using more nets and greater efficiency as time goes by than

they did years ago; but I am going to tell the minister this. I said it before when I made a few remarks on this subject. In my part of lake Huron the fishermen are going broke. Some of them have been using up their surplus. One fisherman I have in mind has a terrific overhead. He is a very capable fisherman. Because of the lamprey and other things that affect the fishing industry he has been operating in the red to such an extent that he cannot continue any longer.

I urge that we rehabilitate the trout industry in lake Huron, and at the same time hold the line in lake Superior. It is going to be a seven-year job before it will be completed. With the greater knowledge these scientists have and will be obtaining, the problem will be licked. It is just too bad it was not tackled years ago. If the area is not too remote and is accessible by boat, the department can complete work on the 48 or 50 weirs with the amount that is being immediately provided, and then they can work in lake Huron; but the work will not be done at a cost of less than $200,000, and that amount will have to be spent yearly until this curse is eliminated.

I would suggest—and I hope the minister will agree with me—that we might better spend $250,000 or $500,000 a year to remove this curse and save an industry that produces $5 million a year. That sounds like common sense. I hope the members of the treasury board and the members of the cabinet will agree with this suggestion. Let us not wait for five years to spend $250,000, when we can do it today. It is too bad the department did not start 10 or 15 years ago when they knew the curse existed.

When the figures were given the other day they disclosed that we produced almost 15 times the amount of trout five years ago that we produced last year or the year before. It was quite apparent to some that something ought to be done. I make no apology for saying this. The responsibility should have been accepted, no matter what government was in power. Research is not new. They knew what was going on. They had been experimenting for some years on methods to eliminate this curse. Those methods should have been proceeded with at great haste. I would ask the government to appropriate an extra $250,000 or $500,000 a year to re-establish this $5 million industry.

The lamprey are now preying on the trout. After the trout are gone they will turn to the whitefish. The lamprey will be found not only in lake Huron but in all the other lakes as well. I sincerely hope the government will agree to the suggestion. I think the sum of $50,000 for research is picayune. That is the amount to be expended by the federal and provincial governments. What is needed is $100,000, $200,000 or $500,000 a year. That is needed to prevent the loss of $5 million. That is not pin money. These fishermen work hard to earn what they make. They make a great contribution to our economy.

As I said earlier, I never make it a practice, and I do not intend ever to make it a practice, to ask for moneys unless I think they can be wisely spent. I do not know of an instance where this government could spend money more wisely than in an effort to destroy this pest and at the same time re-establish the fishermen.

I suggested the other day in committee, and I would like to put it on the record here, that in conjunction with this program of eliminating the lamprey eels in these streams off the north channel the government at the same time should restock the lower end of lake Huron, that is near Sarnia, with trout fingerlings. The minister indicated in committee the other day that they were working in full accord with the Ontario government, and I am sure that if arrangements could be made to restock this area these fish would gradually find their way along both shores. I suggest also that this be a co-operative effort with the level of government with which you are dealing on the other side.

Perhaps next year when the estimates are being considered and it is found that these contrivances are not as successful as it is hoped they will be, sufficient money will be voted for research so we can do our part in re-establishing the fishing industry on the great lakes.

Mr. McIvor: Mr. Chairman, I was interested in listening to the hon. member who has just resumed his seat, because he spoke most sensibly and realistically. The fishermen along the shores of lake Superior are appreciative of this legislation. Men make their living from this industry in places such as Heron Bay, Marathon, Terrace Bay, Schreiber, Rossport, Nipigon, Port Arthur and Fort William. These men tell me the fish are getting scarcer. I should like to ask the minister if compensation could be arranged for the catching of these lamprey eels. Such compensation would be attractive to the younger element among fishermen.

Mr. Barnett: Mr. Chairman, coming as I do from British Columbia I may not have the same direct and immediate interest in this question as the hon. members who have preceded me, but I do want to say that I found the evidence given before the committee in connection with this bill most interesting and

informative. I think everything possible should be done to accelerate the program being initiated by this legislation.

I gathered from the research experts who appeared before the committee that they are hopeful they have devised a method of dealing with the mature lampreys as they enter the streams to spawn, but I gathered also that they are not quite so certain the methods they are considering to deal with the lamprey before it reaches maturity have reached the point where they can be assured that these lampreys can be disposed of at that stage. It seems to me if it should be found that further appropriations for research would expedite the efforts to deal with the lamprey in the earlier stages, and thus get around the necessity of having to wait for six and seven years, it would be a worth-while expenditure.

This bill proposes to ratify an international treaty arrangement. Just how effectively this will work out will depend a great deal upon the attitude taken by the United States counterparts to the Canadian members of the international commission to be set up. I feel it would be appropriate for this parliament to indicate that there is a desire on the part of Canada that everything possible be done to accelerate this program and restore the fisheries in lakes Huron and Michigan. But I would suggest that before the minister brings an increased appropriation before parliament he should ascertain through this international commission that the United States people are prepared to do their share. Then any increased appropriation by us would be worth while. Otherwise it might be throwing good Canadian dollars down the drain, or I suppose one could say letting them run over Niagara falls.

Mr. Patterson: Mr. Chairman, I am sure we are all aware of the importance of the fishing industry to the economy of Canada. The report of the Department of Fisheries for 1953 indicates that for that year the total catch was approximately 1·8 billion pounds; the income of the fishermen amounted to $91·8 million, and the catch had a market value of $179 million. When we look at the matter from that point of view we can readily understand the importance of this industry to the national economy, as well as its tremendous importance to a great number of our population who must depend upon the industry for a livelihood.

When introducing this measure the minister referred to other international commissions which had been set up, such as the international Pacific halibut commission, the Pacific salmon fisheries commission and others. I am sure these different treaties have commendable objectives and in the main are achieving the desired results, but we do not agree with all the regulations which have been passed in order to accomplish those objectives.

It may seem a little strange that members from British Columbia should wish to speak on Bill No. 279, to implement a convention on great lakes fisheries; but in view of the importance of fisheries to our economy I should like to make two or three observations. The bill would appear to have two main purposes, research and lamprey control. This was a very interesting subject which came up for debate in the committee. I must confess my ignorance of the lamprey situation. In fact, I had not heard about it until it was brought to our attention by the minister in his introductory remarks. But after seeing the film that was shown on the occasion of the committee's meeting, and also hearing the departmental officials as they outlined the problem, it certainly indicates a very serious situation existing in the great lakes. I am sure that this measure that has been introduced will be very welcome to every member of the house, and of course, doubly so to the fishermen who are concerned. Therefore, I should just like to indicate, Mr. Chairman, that we are supporting this bill, and we hope that the efforts that are being put forth to control the lamprey menace and also develop the interests of the fisheries in the great lakes will be successful. Therefore we in this group welcome and support the bill.

Mr. Sinclair: Mr. Chairman, I am very grateful to the hon. members who have spoken in approval of the substance of this bill. I do not think there is any need for me to make any lengthy remarks at the present time. I spoke at some length at the resolution stage of the bill. My parliamentary assistant went into it in some detail on the second reading of the bill, and when we were before the committee on marine and fisheries we had before us two top scientists of our department, specialists in freshwater fisheries, whose evidence I know was found to be of very great interest to members of the committee. The committee reported back the bill with no amendments, but with the opinion expressed by the hon. member for Lambton West that perhaps we should be doing more on this.

I should perhaps just answer one or two of the points that have been made here. The question was asked why we had not gone into this problem earlier. The administration of the great lakes fisheries is not under the federal Department of Fisheries but under the province of Ontario. The province had been concerned for some time about the

depredations of the sea lamprey. For those of you who are from the inland provinces, the sea lamprey is a member of one of the lower orders of eels whose normal habitat is the sea and which comes into rivers to spawn. Many years ago the lamprey came up the St. Lawrence and were able to change their environment to the extent that they lived in lake Ontario without returning to the sea and spawned in the streams flowing into lake Ontario. They have been there for some years and have not done too much damage there. However, they passed through the locks around Niagara and entered lake Erie and lake Huron. They did little damage in lake Erie, because the streams flowing into lake Erie come through flat ground not suitable for spawning. However, in lake Huron and lake Superior they have found river conditions ideal for spawning and so have become a great problem. The lamprey must go upstream to spawn in the spring of the year, just after the break-up. The male and female lamprey lay and fertilize the eggs, from 60,000 to 100,000 eggs per female, which hatch out during the summer. The small lampreys drift down to a mudbank and lie there four years burrowed in the mud. In the fifth year they come down to the lake and begin their destructive activities.

In that one year, as the hon. member for Lambton West reminds us, they increase in length from four inches to 18 inches, feeding entirely on the blood and body juices of other fish, the principal victim being the lake trout, a most valuable fish. The whole great lakes fisheries are very valuable, both in the size and the species of catch. The fact that this lake is in the centre of a great populated area cuts down the difficult problem for fisheries of the transportation of fish. The difficulty in the province of Ontario was in trying to handle this problem by itself, since across lake Superior there are eight states similarly affected by the different fisheries regulations. There was obviously not much point in the province of Ontario launching a large-scale lamprey control program if nothing was done across the lake, because population of lamprey move back and forth.

In 1946 the federal government was asked by the province to take action, and since that time we have been negotiating with the federal government of the United States to try to bring about an international agreement similar to the very successful ones we have on the east and west coasts. The one difficulty with the United States government was not lack of willingness, because their fishermen have been more affected than ours; it was the lack of federal jurisdiction. In the American states the primary jurisdiction over fisheries rests with the state governments. However, the United States government was able to work out a plan acceptable to the states and a bill is before congress at the present time to approve this treaty. When this bill is approved by parliament and congress, the commission can begin its work.

In our estimates last year, when we saw it was likely that this commission would be approved, we had an item of $150,000 for lamprey control and $15,000 for research, to begin control by our department. We spent $161,000 of that last year. It is always difficult to get a program like that under way and, of course, we have no federal fisheries officers in the great lakes area. This year we have raised that vote to $330,000, which is the amount our scientists and engineers tell us can be usefully spent this year. We have increased our research vote also. We are putting up $25,000, and the province of Ontario is matching that. This is all in anticipation of the work of the commission. It is true that we are concentrating our lamprey work on lake Superior. I think there is good reason for that. The lamprey is just now entering lake Superior, and we think we can stop that entry now by concentrating our attack there and so saving the lake Superior fisheries. The next step, having learned the methods which are most satisfactory, will be to move back into lake Huron. It will be a long process, because the lamprey has a seven-year cycle. The most effective way to kill it is as it is going into the stream to spawn, which happens only once in a cycle. But we are also engaged in the poisoning of the mudbeds in which the small lamprey lives for four years, which will cut down the incidence of lamprey even in the intervening years. I do not think there is too much point in trying to restock lake Huron until we have substantially cut down the lamprey population for I do not think we should be restocking the lake for the lamprey to feed upon. The hon. member for Lambton West has pointed out that there is a loss of $5 million a year in the commercial catch of lake trout as a result of the depredations of lamprey. That is true for that species but there has been one offsetting factor. As the population of lake trout fell off, populations of other fish have increased because the food used by the lake trout became available to them. The result has been that, despite the lamprey, the value of the total catch of all species has not declined very much. We consider that the job of this commission is to provide the scientific knowledge for what we call scientific management and control of the fisheries to restore the balance between the lake trout

and the other commercial fish. Lamprey control is only one aspect of that scientific control.

The hon. member for Fort William asked if there was any commercial value to the lamprey. Unfortunately, there is not. There is a small market among some Europeans for smoked lamprey. The lamprey is a very low form of fish; it has cartilage instead of bone and is not even a good eel. It is very difficult to catch in the lake because it does not feed on any bait except live fish. As far as next year's budget is concerned, that of course will be recommended to parliament and to congress by the commission when it is set up. I may say that I heartily agree with the hon. member for Lambton West that Canada has received good value for what this parliament has spent on the work of these international fisheries commissions. Last year's increase in the catch of salmon and halibut paid for the costs of these commissions many times over.

You will notice that in the convention attached to the bill provision is made for the division of costs by the commission. The reason for that is that these fisheries are of more importance to the United States than they are to Canada, for one reason. We share Ontario, Erie, St. Clair, Huron and Superior, but the states have lake Michigan entirely to themselves. Therefore they have more at stake. It may be therefore that the division of costs will be a little bit heavier burden on the states than on ourselves. I thank the hon. member for Comox-Alberni and the hon. member for Fraser Valley for their remarks. Our province of British Columbia is a long way from the great lakes, but we are the people who have seen the value of such treaties and what they can do to restore fisheries which were apparently on the way out. Our scientists are convinced that by this co-operative work with the federal government of the United States and the province of Ontario and the eight states across the way, we can restore the great lakes fisheries.

Mr. McIvor: Will the minister answer a question? Have you considered giving a bonus or compensation to anybody who catches these eels?

Mr. Sinclair: These lampreys are there by the million. They are worthless but we are spending money killing them where they are most vulnerable.

The Deputy Chairman: Shall the clause carry?

Mr. Murphy (Lambton West): The point I attempted to make, Mr. Chairman, was that the department not only hold the line in lake Superior, but that they do something more this year, not wait until next year or the year after. I think they should do something this year when they know that they have some 50 streams running into the north channel. It is not as though they are all over lake Huron. They are there probably within 50 or 60 miles. I think that an effort could be made this year to kill these lampreys when they go up to spawn. If it is too late to do anything this year, maybe preparations could be made so that something could be done next year. My argument is that there is no occasion for delay. You are now tackling the problem. I say that you should accelerate that attack.

Mr. Sinclair: May I again point out that the vote we have today is really on an interim basis in anticipation of the establishment of the commission. We hope the commission will start its work this summer. We have done the necessary engineering to spend effectively this $330,000 on weirs and electrical fences in the present year. I am sure when the commission makes its first report we shall be able to do the engineering work to take care of any larger program they may recommend. At the moment I agree with our officials who say that the most important work should be in lake Superior, to kill them there and then to move back into lake Huron and lake Ontario.

Mr. Murphy (Lambton West): But, Mr. Chairman, when it comes to the matter of dollars and cents, your officials spoke of the matter the other day. They are highly qualified men and I am certainly one of the members of that committee who was glad to hear their evidence. They said that these weirs which are built on these streams or tributaries to the lake would vary in cost from $5,000 to $10,000 depending on the accessibility to highways, boats or that sort of thing. Here in the north channel you certainly have accessibility by boat. There is no question about that fact. I see the minister who represents that particular area sitting in his seat. I am going to suggest that he read what has been said today and what was said a few days previously.

After all is said and done, I agree—and I have said this before—that you should make your attack in lake Superior where you know you are going to meet with success because they have only been in there recently. You know where they are spawning. You also know that these cursed things come up about 50 streams running into lake Huron and in that north channel. It is not as though you had to wander all around lake Huron. Why hesitate to spend a quarter of a million

dollars this year? Unless you do spend it you are going to continue to lose $5 million worth of trout a year from these lakes; that is not only for us but I mean for the United States. Half of that should be our portion. Unless that money is spent you are not going to kill the lampreys in lake Huron. You are not going to re-establish the trout fishing in lake Huron. In all seriousness I suggest that this is a common ordinary dollar-and-cent proposition where you invest $100,000 or $250,000 or half of that and your return is probably $1 million or $2 million a year. There is no man with common sense who will disagree that that is a good economic policy for you to follow. After all, you are not going to stamp out the curse of the lamprey eels in lake Huron by killing them up in lake Superior. They are still going to exist in lake Huron. After they take your lake trout, the next thing will be the whitefish. In all seriousness I suggest that an effort be made to accelerate the attack by including lake Huron in your program.

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Convention approved.*

Mr. Nowlan: I wish to speak for a moment on clause 3. I did not speak on clause 1 because I made it plain at another stage of the proceedings that this party was heartily in favour of this act. But clause 3 brings in the convention itself. I was interested in what the minister said a few moments ago and I was wondering whether he could amplify that for the benefit of this committee. I do not think this matter was raised before. At least it was not dealt with in detail as far as I know in the special committee to which this matter was referred.

As the minister pointed out, the great difficulty in dealing with this thing in the past has been the question of jurisdiction. You have at least eight American states on the south of the great lakes and you have the province of Ontario on this side. As to the constitutional question, as I recall the constitution the American states have the residuary powers and the American congress have the specially delegated ones. The reverse is the situation in so far as Canada is concerned or at least that is the situation today under the decisions and so on and so forth.

Just what is the position in so far as these American states are concerned? Have they delegated their authority to the American congress? And if so, how? Right now, of course, everyone is frightened. Everyone is prepared to co-operate. But suppose that five or six years from now the situation is relatively under control and then we will say the state of Michigan passes regulations which are contrary to the regulations which may be passed by this commission. Would that state or any other state be in a position to do so or have they, either by legislation, by contract or in any manner delegated their authority to the American congress so that the Dominion of Canada knows that they are dealing with the duly authorized authority? In one of the articles of the convention, namely article 10, we find this provision:

> Nothing in this convention shall be construed as preventing any of the states of the United States of America bordering on the Great Lakes or, subject to their constitutional arrangements, Canada or the province of Ontario from making or enforcing laws . . .

And so on. The convention is obviously drawing a line of distinction—at least that is suggested by article 10—as between Canada and Ontario on the one hand and the American states on the other. I would ask the minister to clear up that point for the benefit of the committee.

Mr. Sinclair: There is no jurisdictional problem in Canada about any of these treaties because the federal government has control over the fisheries. The province of Ontario is our agent in the control of sport fishing and the great lakes fisheries. As far as the American states are concerned, our legal officers were concerned about this matter and have looked at the arrangements made now. These American states have agreed to give the federal government the necessary authority for this period of 10 years. The commission is just for 10 years, and then is subject to renewal to be worked out.

Mr. Nowlan: How have they agreed?

Mr. Sinclair: I am sorry, but not being a lawyer I cannot answer that question. But it was to the satisfaction of our law officers. We have a parallel situation with regard to the international salmon commission on the west coast. The American waters are in the state of Washington which has control over fishing there and that state has given the necessary authority to their federal government now for the last 18 years. The arrangement is most satisfactory as far as regulations are concerned.

Clause agreed to.

Clauses 4 and 5 agreed to.

On clause 6—*Coming into force.*

Mr. Nowlan: Did the minister say that similar legislation is now before congress?

Mr. Sinclair: Yes.

Mr. Nowlan: In what stage is it before the American congress? Has it been submitted?

Mr. Sinclair: It has been submitted. We have been assured that the states concerned are all pressing to make quite sure that it is passed by this session of congress.

Mr. Nowlan: It is not the intention to proclaim this legislation until that legislation has been passed by the United States congress?

Mr. Sinclair: When it has been passed by the United States congress we will proclaim it. We hope to have the commission set up this year.

Clause agreed to.

Schedule agreed to.

Ttitle agreed to.

Bill reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

CONSOLIDATION OF LEGISLATION—AUTHORIZATION FOR OPERATION OF TELECOMMUNICATION SYSTEM, ETC.

Hon. George C. Marler (Minister of Transport) moved the second reading of Bill No. 351, respecting Canadian National Railways.

Mr. Drew: Is the minister going to make a statement?

Mr. Marler: Mr. Speaker, as I pointed out when introducing the bill, its primary purpose is to consolidate into one statute the legislative provisions relating to Canadian National Railways. A complete enumeration of these legislative provisions is set forth in the second schedule of the bill. This schedule shows that there are no less than 23 enactments that are to be repealed in whole or in part. As this means that at the present time each of these 23 statutes must be consulted in order to determine the exact provisions of what I may call the charter of the Canadian National Railways, I am sure that no further arguments than this are needed in order to persuade hon. members of the desirability of consolidating all of these provisions into a single statute.

In examining the bill it will be found that, though in some instances the wording in some sections has been altered to conform to modern standards of drafting, only five changes in the enactments applying to the company are made. Three of these are intended to give the company (1) power to operate a telecommunication system; (2) power to construct short branch lines, and (3) power to operate motor vehicles for the carriage of traffic. The fourth change is being made so as to authorize officers and employees of the company to act as directors of partially owned subsidiaries; and, finally, the last change is the setting up of a simple procedure to extinguish the charters of constituent corporations.

Some of the subsidiaries of Canadian National already possess powers to operate telecommunication facilities and motor vehicles, but it is considered that it would be more convenient if these powers were vested in the parent company itself. I should like to say a few words further to that subject at the end of these remarks.

I should now like to say something with regard to what I have described as short branch lines. As will be noted from the text of the bill itself, section 183 of the Railway Act, which permits railway companies in general "to construct, maintain and operate branch lines not exceeding in any one case six miles in length", is not applicable to Canadian National Railways. The powers of the company to construct railway lines are to be found in section 20 of the Canadian National Railways Act which empowers the company to construct railway lines, branches and extensions, etc., in respect of the construction of which parliament may authorize the necessary expenditure or the guarantee of an issue of the company's securities. In simpler words, this means that the company may not undertake the construction of branch lines or extensions, even though they are less than six miles in length, until the necessary expenditure for the specific branch line or extension has been approved by parliament. It happens not infrequently during the interval between annual budgets that the management of the Canadian National Railways receives applications from industries for short spur lines to serve their plants; and I think that it obviously is desirable that the railway should be in a position to respond to these applications and build the required trackage as quickly as possible.

It is proposed, therefore, to give the company the power to construct railway lines, branches and extensions which do not exceed six miles in length, and so to put it in a position comparable to that of the railway companies governed by section 183 of the Railway Act to which I referred a moment ago. As in the past, however, the decision to construct such line, branch or extension will remain subject to approval by the governor in council, and it will still be necessary that its location be sanctioned by the Minister of Transport. Having regard to the fact that all other railways in Canada governed by the Railway Act may, subject to that legislation, proceed with the construction of branch lines

and extensions not exceeding six miles in length without parliamentary approval, I think it would be timely to free the Canadian National Railways from the disability affecting it and endeavour to place it on a footing similar to that of its competitors.

Under existing legislation, section 8 (3) of the Canadian National-Canadian Pacific Act, only directors of the Canadian National may represent the company on the board of directors of any partially owned company. For reasons of greater convenience it is proposed to authorize not only the directors but also officers or employees of the parent company to serve on boards of directors of these partially controlled companies.

With respect to the extinguishing of the charters of constituent corporations, I may say that there is no provision in the statutes for the surrender of a charter of a railway company which is usually incorporated by special act and it is, therefore, necessary to obtain an act of parliament. As will be seen from the first schedule of the bill, the Canadian National Railways system comprises a large number of constituent companies. It is hoped that the setting up of a simple procedure to extinguish the charters of constituent corporations will facilitate the steps now being taken by the management to simplify as much as possible the corporate organization of the railway.

I wish to assure hon. members that this bill is the result of long and careful study by the management of the railway, the various government departments concerned and the cabinet. After second reading of the bill, if it is the pleasure of the house to adopt it, I shall propose that the bill be referred to the standing committee on railways, canals and telegraph lines. Officials of the company will be in attendance at the committee to explain the various provisions of the proposed legislation.

I should like to add a particular word with regard to the apprehension which appears to exist in the minds of persons engaged in the operation of trucks and buses on highways that it was intended by this legislation to enable Canadian National Railways to enter competitively the field of highway and bus transportation. I think that what I said in the discussion of the resolution should perhaps have set aside any doubts as to the intention of the government on that score in presenting this legislation, but on rereading one or two sections of the bill I think it may be found that they might lend themselves to an interpretation that there was the intention on the part of the government to give very broad powers to Canadian National Railways with regard to highway transportation when such is not the case.

During the discussion of the resolution I said, in explaining this particular power in the bill, that the railways in the past had been under the disability that at times, when consideration has been given to the abandonment of a short line, the railway has been in the rather peculiar position before the board of transport commissioners of being unable to offer, on behalf of the railway company itself, to undertake to provide motor service in lieu of a passenger train. They have had to produce the undertaking of some subsidiary to provide that service. They have no power to operate motor vehicles, so that they are unable to give a formal undertaking that they will establish a motor service as an alternative to the train service that they propose to abandon.

As I said then, Mr. Speaker, it is not intended there should be any change of policy with regard to the powers of the railway so far as highway transportation is concerned. However, it does seem that section 18 of the bill might lend itself to the interpretation that all of the companies enumerated in the first schedule of the bill were declared works for the general advantage of Canada. I think it will be necessary to make amendments to the bill when it is in committee in order to avoid giving to the railways broader powers than we have in mind.

From an examination of the list of companies appearing in the first schedule to the bill, particularly part III, where there are a large number of companies mentioned, it will be seen that it is clearly an error in drafting that has led to the impression that it was the intention of the government to declare as works for the general advantage of Canada, for example, the operation of a company called Canadian National Railways (France) or Central Vermont Transit Corporation.

I think if that list is examined carefully it will be found that perhaps the reason for the present disquiet with regard to this policy in highway operations arises from the fact that Canadian National Transportation, Limited, is included in these companies in part III. It is my intention, therefore, to avoid any doubt, to move that the act be amended so as to exclude, as works for the general advantage of Canada, the operations of the companies mentioned in part III of the schedule to which I have referred.

Mr. Speaker, the Canadian National Railways, through its company, Canadian National Transportation, Limited, has very comprehensive highway powers; but it is not intended

to give such comprehensive powers to the Canadian National Railways. As will be found by reference to the bill, it is intended only that the parent company shall have powers in conjunction with or substitution for a rail service. This is designed primarily in order to regularize the pickup and delivery services in the metropolitan centres, and to give the company corporate powers to enable it to provide trucking or bus services in cases in which rail line abandonment would not be permitted by the board of transport commissioners unless a formal undertaking with regard to road transport were submitted.

As I said earlier the primary purpose of the bill is to consolidate a large number of enactments relating to the Canadian National Railways. I have no doubt that for that reason the bill will commend itself to the house, and I think it will be found that the other changes are in the interests of the Canadian National Railways.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, the minister has referred to a section which has already caused apprehension on the part of truckers as well as others; and what he has just said has not removed the reasonable cause for that apprehension.

He has on several occasions used the word "intention"; but what we must consider is what the effect of the legislation is, as we examine the bill before us. It is not sufficient to say that the government intends to do certain things; what we must examine is what powers we are placing in the hands of this agency of the government by the measure before us.

The minister has merely stated that it is proposed to remove from part III of the first schedule the name of Canadian National Transportation, Limited.

Mr. Marler: If the Leader of the Opposition would permit me to clarify that point, the point I wished to make was that it was intended that the companies referred to in part III of the schedule would not be declared to be works for the general advantage of Canada—not that a particular company should be dropped, but that the companies in part III of the schedule would not be declared to be works for the general advantage of Canada.

Mr. Drew: Then it was with particular reference to Canadian National Transportation, Limited, that the minister spoke in making the remarks he did about withdrawing them from the application of clause 18.

Mr. Marler: All, in effect, are to be withdrawn.

[Mr. Marler.]

Mr. Drew: But clause 27 is one which confers upon the railway company the rights already referred to by the minister, when he mentions that the company may, in conjunction with, or in substitution for the rail services under their management or control, buy, sell, or lease motor vehicles of all kinds and maintain and operate motor vehicles on highways in Canada or elsewhere for the carriage of traffic, and may charge tolls therefor.

Mr. Chairman, this is not a subject that can be disposed of by a removal of the list of companies from the names of those set forth in part III of the first schedule, so that it will not have application to section 18. What section 27 clearly does is to make it possible for the railway companies to organize, in conjunction with or in substitution for rail services, services by motor vehicles.

That may be desirable. There are many cases where I feel sure that there would be agreement that, in substitution for a short line over a difficult route, it might be highly desirable and convenient to provide such service. It may be debatable, it may be arguable, that it is desirable that the railway company should have power to engage in long-range trucking and in long-range passenger service by motor vehicles, or in other activities of that kind.

I submit, Mr. Speaker, that the bill as it is now drafted places no limitation upon the powers of the railway company to enter into that field. That brings us back to certain matters that were before the house last year. It will be recalled that, after long years of litigation, there was a case from New Brunswick which was carried to the Supreme Court of Canada and from the Supreme Court of Canada to the privy council. That case is reported in the Law Reports (1954) Appeal Cases, page 541, and is the case of Attorney General for Ontario and others, appellants, and Israel Winner (doing business under the name and style of Mackenzie Coach Lines) and others, respondents.

In that case the judgment of the Supreme Court of Canada was reversed. It was declared that interprovincial transportation fell within the jurisdiction of the federal government.

Then, having obtained this result, for which very large sums of public money had been spent during litigation that extended over some considerable time, the government completely changed its attitude. Having obtained the judgment it sought, it then proposed to do the very opposite. And we find reported at page 4196 of *Hansard* for April 28, 1954, the brief statement of the then minister of transport in regard to a conference which

had just taken place at that time. This brief statement by the minister of transport at that time sets forth exactly the position that was taken by this government after it had obtained a judgment of the privy council, which places the full authority over intra-provincial traffic of this kind which they had sought for some time. These are the words of the then minister of transport:

The federal-provincial conference on highway transportation convened in Ottawa on Monday of this week and completed its business this morning. I think it is safe to say that the conference was a successful one.

In view of the position of the federal government that it was reluctant to enter the field of extra-provincial highway transportation, it suggested to the provinces that they control and regulate such extra-provincial undertakings in the same manner as that in which they were controlling intra-provincial movements. The provinces seemed to be willing to accept this suggestion. Thereafter there was drafted a bill which was submitted to the conference for its approval. Dependent upon the reaction of the various provincial governments to this draft bill, the federal government will be willing to give consideration to enacting at this session of parliament legislation which would make the proposed bill valid.

That bill was introduced during the session. It was assented to on June 26, 1954. It was known as the Motor Vehicle Transport Act. I must confess that there seems to be a form of special simplicity that is an inherited quality of ministers of transport. The minister of transport said last year:

The provinces seemed to be willing to accept this suggestion.

Why would they not? They had been fighting this case through the courts for years. They had carried it to the privy council; they had lost. Then, when the Minister of Justice (Mr. Garson) had succeeded in obtaining a judgment from the privy council, which he regards so lightly, he then came back here and, having reported the case to his colleague, the minister of transport, the minister of transport decided that they did not want what the decision gave them, and so they offered to hand this control back to the provinces, and the provinces seemed to be willing to accept this suggestion, according to the minister of transport. But there was a joker, as there is so often, in the measure put forward and enacted as the Motor Vehicle Transport Act, which purported to place under the provincial authorities the issuing of licences and the control generally. We find under section 3, the governing section in regard to the operation of transport, the following:

(3) (1) Where in any province a licence is by the law of the province required for the operation of a local undertaking, no person shall operate an extra-provincial undertaking in that province unless he holds a licence issued under the authority of this act.

(2) The provincial transport board in each province may in its discretion issue a licence to a person to operate an extra-provincial undertaking into or through the province upon the like terms and conditions and in the like manner as if the extra-provincial undertaking operated in the province were a local undertaking.

Then we find in section 5 this important provision.

The governor in council may exempt any person or the whole or any part of an extra-provincial undertaking or any extra-provincial transport from all or any of the provisions of this act.

Now, Mr. Speaker, I am not pointing out here for the first time what the effect of that was, because this is what I said when this measure was before the house last year. I am referring to page 5940 of *Hansard* of June 14 of last year:

The truth is that under clause 5 the whole of this bill can be swept aside by order in council at any time. If it is important that this bill be now put into effect, it is equally important that this legislation remain in effect until parliament has been consulted in regard to the matter, unless there are some reasons which have not been placed before us for the extremely wide power which would be conferred upon the government by the adopting of the measure as it stands.

This is an important subject, Mr. Speaker. This is a subject which is of interest to Canadians generally. In this tremendous country of ours, with its expanding development, transportation by rail, by highway, air or water is all part and parcel of that dramatic development which is now taking place.

Surely it is appropriate that we should assure the most effective type of legislation we can have when we are called upon to deal with any aspect of this great problem of transportation.

Now, Mr. Speaker, when I made that observation I was urging that the bill go before the standing committee. That was not done. I moved at that time that the second reading should not be proceeded with but that the bill should be referred to the standing committee. There was another reason why that should not have been dealt with at that time, and there is a reason why this bill should not be dealt with now. In April of last year there had been a conference of governments of Canada. That conference had been told that this government wanted the control of all intra-provincial as well as extra-provincial transportation to remain under the control of the provincial governments and under their licences. If that is so, then that applies to all transportation by motor vehicle. Anything else would render provisions of this kind utterly meaningless.

If any railway is to be given power to enter that field under a federal law, and that federal law is to override, as it must, if it is within the constitution, a provincial measure, then the situation would simply be that by indirection this government would once again be invading the provincial field, in spite of the

fact that it had purported to consult them in regard to a matter of this kind.

There is a very important principle at stake here. There is a principle at stake which has been discussed in this house before. This government goes through the motions of calling a conference of the provincial governments. Then it places something before them. The provincial governments go home thinking that they understand what this government intends to do, and after they go home satisfied with what was told them so reliably they find that by some indirect method this government invades the very field that they said they were not going to invade. That is exactly the proposition before us in this field.

The Minister of Transport had this to say when the motion providing for the introduction of this measure was before the house on April 26 of this year, as reported at page 3198 of *Hansard:*

> There is no intention on the part of the government, in adding to the powers of the railway that of owning and operating motor vehicles, to make any sinister change of policy. We merely intend to make a change which will enable the railways, in effect, to do through the parent company what they have been doing already through subsidiary companies.

Then there was certain discussion, and an interjection in the debate, and the present minister went on as follows:

> I do not think it would be an infringement, Mr. Chairman. I believe it is competent for parliament to empower a federal corporation to operate motor vehicles. I do not believe, for instance, that merely because the power is derived from parliament the operator of the motor vehicles could claim he would not be subject to the laws of the province in the operation of those vehicles. I think my hon. friend could find many examples of dominion corporations operating motor vehicles strictly in conformity with provincial requirements.

There is the old axiom *qui s'excuse, s'accuse.* The very fact that the minister was so emphatic that there was no sinister purpose indicated the fact that at least the purpose could be open to question. There was perhaps ground for apprehension in the loose draftsmanship, but such change as he has indicated he proposes to make in committee certainly would do nothing to remove that apprehension as to the powers conferred by section 27.

I do not believe that it is necessary for the declaration in section 18 to be applicable to any of these operations to make section 27 fully operative. That I submit is particularly so in view of the closing words of the section. Not only does it confer upon the railway company the right to operate in conjunction with or in substitution for the rail services under their management, or control certain motor vehicle operations, it states that they may charge tolls therefor. If they are permitted by a dominion statute to charge tolls, then surely the operation of tolls is being conferred by this dominion act. If the act relating to the railways is within the competence of the parliament of Canada, then it would override provincial legislation. If there was any question about its overriding provincial legislation, the government could always refer to section 5 of the Motor Vehicle Transport Act, which provides that by order in council they can negative the effect of the act anyway.

The experience of hon. members of this house has surely not been such that we have any reason to doubt that the government would use section 5 of the Motor Vehicle Transport Act if it found any difficulty in permitting the Canadian National Railways to operate this service.

Let us just see where this goes. If this right is given to the Canadian National Railways, is that an indication that the government is going to do the same kind of thing it does with regard to the C.B.C. and give to the government-chosen agency rights which deny fair competition as between private enterprise and government agencies? If so, then it must confer the same right on the Canadian Pacific.

An hon. Member: They have it.

Mr. Drew: As a matter of fact I was going to say that they have it anyway. If this power is given to one railway, what about the Ontario Northland railway and what about the other railways right across Canada from British Columbia to Newfoundland? Every one of those can then demand, and with justice, equality of competitive position with the Canadian National Railways. You will have broken wide apart the principle enunciated last year in this house by the Minister of Transport when he told the members of the house what they had decided on at the conference of governments. You will be once again repudiating a clear understanding between this government and the provincial governments arrived at at a conference of that kind.

By the procedure being followed in this case you have another of those indirect methods of breaking an implicit understanding between governments which has been repeated over and over again in other legislation. I submit that this bill contains an important principle, a principle which relates to the undertaking upon which the Motor Vehicle Transport Act was introduced. They had their judgment giving them authority; they then purported to confer upon the provincial governments the supervision and licensing of motor vehicle transport. They

come forward now with an amendment to the general act covering the Canadian National Railways which would change the position they took at that time, which would repudiate the position they took at that time, and then they would be able to protect anything that was done under section 5 which can vitiate the whole effect of the Motor Vehicle Transport Act.

I submit that before this bill is proceeded with there should be another conference with the provincial governments. I submit that it is an honourable obligation of this government to call together the representatives of the provincial governments and discuss the effect of section 27 of the act now before us and find out whether that was what was contemplated at the time the governments met last year, and whether that would be a satisfactory arrangement.

I submit that anything short of that would be a dishonourable course in the face of the understanding which was placed before the house last year. It was no doubt made on the expectation that the provinces were to retain the licensing power, the establishment of rates and everything else; but this act specifically states that the railways shall set tolls. Presumably that in turn would come before the transport board. This is not the sort of thing that should be brought before the house in this way.

In the deliberate delay in order to justify the course they were following they brought the motor vehicle transport bill in last year in June at a time when it was not a practical possibility to follow the regular course and submit it to the standing committee. The bill went through the house over our objections as to the procedure being followed. We now have a new device. I do not know whether the government has decided that it was wrong in abandoning the rights it had obtained under the judgment of the privy council; we do not know the whole story, for the whole story has not been told this house.

But whether we have the whole story or not, I submit that, in view of the fact that this government on its own initiative consulted the provincial governments last year, this measure should not proceed until they again consult the provincial governments in regard to the effect of this section. I say that because this section goes far beyond any mere consolidation of the act which we have under consideration. As a matter of fact I question very much if this should have been brought in in this way, because it is a provision far from a mere consolidation of existing statutes. It introduces a completely new principle in regard to the operation of the railways.

I do not wish to be misinterpreted in regard to this. In what I am saying at this time I am not presenting arguments as to the desirability of this right being conferred upon the railways or otherwise. I think every hon. member here wants to see the Canadian National Railways, the Canadian Pacific Railway and every other railway in this country in a position to give the most efficient, the most economical and the most progressive type of service to the people that it possibly can. Within our constitutional authority and within our honourable obligations to the provinces, where an undertaking explicit or implied has been given, then I think that the hon. members of this house will be found ready and willing to confer such rights as will improve the opportunities of the railways to perform the kind of services they do on behalf of the people of Canada.

We must remember of course that trucking and bus services are also a large part of the transportation system of Canada, just as are the air and boat services. The point that I am making is that this privy council decision in regard to the operation of motor vehicles was given in accordance with the government's wish and following the argument of the Canadian government, and they then turned around and purported to hand back to the provinces the very rights they had gained by the privy council judgment, subject to the joker clause in section 5. But the fact remains that the intention was clear, as stated by the minister of transport last year in the statement that I have read to this house, which was made here on April 28, 1954.

I am not going to move an amendment at this point because I hope that the Minister of Transport, confronted with the statement made by the minister who was minister of transport last year, on April 28, will recognize that there certainly would be a failure to carry out a reasonable understanding with the provinces when they proceeded to force through this house by the government majority a section which would challenge the very clear understanding that the provinces had when they met this government last year.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, with the voice that I have today, I shall not be imposing on this house for very long. That is almost an invitation for some of my friends in the house to express pleasure that I have a bad cold, but I notice that their kindness and courtesy keep them from doing that.

Mr. Speaker, I shall not comment at any length on the phase of the matter which has been opened up by the Leader of the Opposition. It seems to me that if the government

is in any difficulty over this matter, it arises not from the section of the bill that is now before the house but rather from the course that was followed last year when the government sought to get out from under an obligation imposed on it as a result of a court decision. We shall be glad to study all the various angles of this matter, but we shall bear in mind in particular the fact that the chief competitor of the Canadian National Railways is in some instances in the truck and bus business. We do not feel that obstacles should be put in the way of the Canadian National Railways having the same opportunity which is now enjoyed by the Canadian Pacific Railway.

There are just one or two other things on which I wish to make a comment. First of all, I confess to an interest in the legal and constitutional aspects of legislation of this kind. I suppose that, as I am a novice in this field, my interest is sharper than might otherwise be the case. I notice in particular the long list of ancient enactments which are to be repealed in whole or in part by the bill the minister is now presenting to parliament. I was interested particularly in the fact that one of these enactments which is to be repealed in part is a statute which was passed before July 1, 1867. It always intrigues me how we can amend legislation which the parliament of Canada did not even enact, even as it intrigues me that we now find it possible in the parliament of Canada to amend the British North America Act even though it was passed in another jurisdiction. Perhaps the very mention of that right gives the answer as to how pre-confederation statutes can be amended. I suppose that in the long run it is the crown which is doing the enacting and if the crown's advisers or parliaments change from time to time it is still possible to do this sort of thing.

One of the pieces of legislation being repealed by this bill is section 3 of chapter 37 of the statutes of 1852, which was entitled "an act to incorporate the Grand Trunk Railway of Canada". I have in my hand a copy of the statutes of the province of Canada passed in the sixteenth year of the reign of Her Majesty Queen Victoria and in the first session of the fourth parliament of Canada. It is an ancient and musty volume. As a printer I enjoy looking it over and realizing that it was all set by hand. A very good job was done by my fellow tradesmen of that day, considering the difficulties of setting type by hand. However, there is this interesting section of this ancient statute, a statute passed before Canada came into being in 1867, which we are now repealing. It reads as follows:

> III. And be it enacted, that the gauge of the said railway shall be five feet six inches; and the fare or charge for each first class passenger by any train on the said railway, shall not exceed two pence currency for each mile travelled, the fare or charge for each second class passenger by any train on the said railway shall not exceed one penny and one half penny currency for each mile travelled and the fare or charge for each third class passenger by any train on the said railway, shall not exceed one penny currency for each mile travelled; and that at least one train having in it third class carriages shall run every day throughout the length of the line.

This particular railway, according to the preamble or clause 1—they are one and the same in this statute—was to run from the city of Toronto to the city of Kingston and thence to the city of Montreal. Obviously, it is time that a section, if it is still the law of the land, that prescribes a gauge of five feet six inches for the railway running from Toronto to Montreal, were repealed. I ask what has happened through the intervening years. Has the railway running on that line been breaking the law, because it has been running on a gauge less than five feet six inches in width? If the government feels it is now necessary to repeal this archaic section, are not some of the other sections in the same statute equally archaic? For an obvious reason I am not going to take the time of the house to read some of the other archaic sections, but I suggest that there are a number that are quite out of date. If it is now found necessary—and I confess it intrigues and puzzles me as to why it should be necessary—to meddle with legislation that was passed before there was a dominion of Canada as we now know it, what about some other statutes that were passed at that same time? There was the Cobourg and Peterborough railway; there was the Toronto and Guelph railway; there was the Galt and Guelph railway; there was the Grand Junction railway; there was the Hamilton and Toronto railway. These are all in this same volume of statutes of 1852. Incidentally, I find that in all of these statutes that I have checked, the provision for a gauge of five feet six inches is spelled out. That is not now the gauge, so far as any of these railways are concerned. Yet those sections in these other acts are not being repealed. The Fort Erie and Goderich line and the Montreal-New York Railway system are also mentioned. The next one I notice is the Quebec Temperance hall association—but that is not a railway. I would ask the minister if he could explain why it was found necessary

to pick out for repeal that one section of the many statutes in respect to railways passed by the old province of Canada; yet apparently it was not found necessary to deal with any other sections of the many statutes in respect to railways passed prior to July 1, 1867.

Now, Mr. Speaker, as I have indicated, it is not my intention to speak at any length. There is really just one other matter to which I shall refer, and I shall do it in a very brief manner simply by reading to the house a letter which came to me shortly after our debate on the resolution preceding this bill. I may say that, if the house wishes to have the signature to this letter placed on the record, I have the authority of the writer of the letter to indicate who sent it to me. I note Mr. Speaker, that you wish me to give the name, and I shall do so. The letter reads as follows:

79 Dunraven Avenue,
Winnipeg 8, Man.,
April 28/55.

Dear Sir:—

This letter was addressed to me.

—At this time, when there is so much discussion in the commons about the C.N. Railways, I thought you should know what happened to my husband.

He was laid off effective November 17/54. Last week he received a 'phone call asking if he was available for work with the railway. He was working at the time at a low rate of pay and so decided to go back to the railway to better ourselves financially and also because of six years' time spent in the railway service.

On April 23rd he was told to report to Transcona shops on Monday, April 25th. He quit the job he had, returned to the railway and at 3 o'clock the same day, Monday, April 25th, he was given a letter stating he would be through on April 29th due to a "reduction in staff". Eight men were hired and three were let out. Incidentally, I never heard of Donald Gordon taking a cut in salary to help their so-called economy drive.

Yours truly,
(Mrs.) J. B. Johnstone.

Mr. Speaker, on this occasion I do not think I need to make a speech on employment matters so far as the C.N.R. is concerned. That letter speaks volumes. It is a common practice in these days, in speaking of a certain "ism" with which we are having to struggle in the world, to refer to it as being Godless. I ask you, what is more Godless than treating men like that?

Mr. C. E. Johnston (Bow River): Mr. Speaker, I want to say a few words on this measure. I was much interested in hearing what the Leader of the Opposition (Mr. Drew) had to say with regard to this particular bill which is before the house. A slight reference was made to it by the Conservative party when the resolution was before the house. I was pleased indeed when I heard the Leader of the Opposition speak in much stronger terms. I was not at all surprised, though, to note the stand which was taken by the C.C.F. party when they said they were in favour of Bill No. 351 as it stands, because that would only be extending the power which the C.N.R. seeks so as to equal that which other railways enjoy. The thought came to my mind that maybe it is wrong to have the C.P.R. enjoy such privileges and that two wrongs would certainly not make a right.

Before I go too far with what I intended to say, Mr. Speaker, I want to refer more particularly to what was said the other night. When the resolution was before the house, I was much concerned about this bill particularly when I saw reference made to motor transport. I guess I must be a little bit suspicious when it comes to that subject, because I have been dealing with it ever since 1937 when the agreed charges legislation started in this house and in 1938 when that legislation was passed. The other day when this resolution was before the house I went to some lengths to elicit some information from the minister in charge of it. Briefly I just want to review that discussion in order to show the point that I am going to raise. In the debate on April 26 of this year, as reported at page 3195 of *Hansard* a reference was made to this matter by the hon. member for Vancouver-Quadra who had this to say:

The second question has to do with the sentence which says that the C.N.R. is to be given power to operate motor vehicles. I understood from the minister last night that the company is already operating motor vehicles through a subsidiary company, but will he give a further explanation as to whether there is to be any change in the C.N.R. policy of operating motor vehicles?

That was all that he said on that occasion about it. I know he was concerned about it because those remarks show some concern. Then the Leader of the Opposition today went considerably further in expressing the importance of this proposed bill and his alarm over it. It seems, Mr. Speaker, that on the part of this government there is a tendency—whether or not it is intentional, I am not in a position to say, although I think probably it is intentional—of always trying to centralize power in Ottawa and of attempting to infringe upon the rights of the provinces. I shall exemplify that point a little bit further. I want to say at once that I do not believe that is the minister's purpose. When we were in committee discussing railway matters and agreed charges, Mr. Donald Gordon, who is president of the C.N.R., did not make any

bones at all about his position with regard to motor transport. He made it quite clear that they were out to do everything they could to get rid of their competitors as far as transport problems are concerned. There was no secret about that. Hence when I saw in this bill the provision for motor transport, I was alarmed, and rightly so, because we in western Canada know what it means whenever the railways propose an increase in freight rates, supposedly, as they say, because of truck competition. It is we, the ones who are in the non-competitive areas, who get soaked by the increase. Therefore we must be ever alert to that invasion of our rights. When this question was before the house I put this question briefly to the minister. As reported at page 3196 of *Hansard* I said this:

> I wish to draw the minister's attention to the portion pertaining to the operation of motor vehicles. The minister will recall that when we were discussing Canadian National Railways in the special committee some time ago the president, Mr. Donald Gordon, made extensive reference to the operation of motor vehicles by the C.N.R. That is particularly important to me, because I wonder what significance this provision has with regard to the expansion of the services already in operation by the C.N.R. and the C.P.R.
>
> The C.N.R. and the C.P.R. operate motor vehicles now, and I am wondering whether, if the C.N.R. gets permission through parliament to operate motor vehicles, the railway may be in a position of being able to override the provisions of any province regarding the issuance of licences for motor vehicles. I should like the minister to clear up this matter for me when he replies. As the situation stands today, if the railways want to operate motor vehicles in the city of Calgary, for example, they have to get a licence from the provincial government, and they must show need—

I want to emphasize that point. Under present conditions they must show need.

> —before any more licences are issued so the industry will not be overcrowded, and in order to satisfy other precautions laid down by the province.
>
> It was pointed out to us by Mr. Gordon, president of the C.N.R., that the railways were now using the operation of motor vehicles to extend, as he put it, competition with the trucking industry of Canada.

I made one slight further reference which I think I should put on the record. As reported on the next page I said this:

> I am very much concerned about this matter, and I ask the minister to comment at some length on the statements I have made, particularly pertaining to the operation of motor vehicles by railway companies and the use of agreed charges.

I may say that I am not so greatly concerned at this moment about the matter of agreed charges, but I am definitely concerned about the invasion by the federal government of further provincial rights.

When the minister was speaking, I think he gave a forthright statement; and I think I so expressed myself when I was speaking on

that occasion. But I think the minister probably was deceived because when he, as he indicated this afternoon, took a second look at this bill, he found that it should have a few changes in order to make certain that some of the extensive powers which were being passed on to the Canadian National Railways were not carried out, in fact. But make no mistake about it, I do not think that Donald Gordon was deceived by it; not for a moment. Nor do I think that the solicitors who assisted in drawing up this legislation were deceived by it because they are too clever men to be deceived in that regard. I am not implying for a moment that the Minister of Transport (Mr. Marler) is not just as clever, but, with all the duties he has, I can quite understand how his advisers even, or certainly Donald Gordon along with his advisers, could have slipped this over on him. That is very clearly brought out when the minister indicates that he has taken a second look at it and now proposes to bring in some amendments. Of course we do not know what they are, and as the Leader of the Opposition pointed out a while ago we must take only what is before us. We have the bill before us and we have all looked at it very carefully. We look upon it with some alarm. At page 3198 of *Hansard* of April 26 the minister answered me in this way:

> At all events I should like to assure the members of the committee, and particularly the hon. member for Bow River, that there is no intention on the part of the government, in adding to the powers of the railway that of owning and operating motor vehicles, to make any sinister change of policy.

I am glad the minister said "sinister change" because that is exactly what is being done. Even though it may be unknown to the minister himself, it is a very sinister change of policy. The minister continued:

> We merely intend to make a change which will enable the railways, in effect, to do through the parent company what they have been doing already through subsidiary companies.

I agree again with the Leader of the Opposition that last year when the Motor Vehicle Transport Act was passed the federal government made it very clear in the house and to the provinces that they did not want to interfere in any way with provincial rights as far as trucking is concerned and that even though they had the right to govern interprovincial trucking business they wanted to pass that right on to the provinces so there would be no confusion. Yet despite that assurance and despite the legislation that was passed they now come with a bill

which usurps every attempt to control trucking by the provincial governments. The minister went on to say:

There is no suggestion either that in granting this power the railway shall be free from the necessity of complying with the requirements of provincial governments so far as provincial laws apply to the operation of motor vehicles owned by the company.

I say again that I believe the Minister of Transport really believed that, but as he looks over the bill now I think he finds that he was in error in believing it. My reason for saying that is that the minister, having had a second look, has now said that he will have to bring in some amendments so that this power cannot be passed on to the railways. Of course, we do not know what the amendments are but we will find out. Then I went on to say:

May I ask the minister this question? Would that not be infringing on provincial rights? Could we legally put something like that in federal legislation, which would be a violation of provincial rights?

This happens to be the section that the Leader of the Opposition quoted but I think I should put it on the record again for the sake of continuity. The minister said:

I do not think it would be an infringement, Mr. Chairman. I believe it is competent for parliament to empower a federal corporation to operate motor vehicles. I do not believe, for instance, that merely because the power is derived from parliament the operator of the motor vehicles could claim he would not be subject to the laws of the province in the operation of those motor vehicles.

May I point out to the minister that if the bill is passed in its present form that is exactly what the railway companies would be able to do. They would have overriding rights over any provincial legislation. The minister continued:

I think my hon. friend could find many examples of dominion corporations operating motor vehicles strictly in conformity with provincial requirements.

I am pointing this out, Mr. Speaker, because I want the house to understand thoroughly the position which I took on that occasion. I was fearful of this very thing and I tried to indicate it to the minister so that he would be on the alert for anything of this nature. I am not going to say it was because I spoke on that occasion that the minister took a second look at the legislation, but nevertheless he did so and as a result he has now indicated he intends to bring in certain amendments. On that occasion I had this to say:

May I ask the minister this? Suppose the province decided that it was not necessary to have another trucking concern within the province or within the city where the company was making its application. Suppose the province said they would refuse to grant a licence on the ground that the operation was not necessary. Would they be able to do that if we granted the company parliamentary authority to carry on this type of operation?

The minister answered:

There are some constitutional aspects of that question which I would hesitate to try to dispose of summarily. I suppose the question would come up as to whether it was an integral part of the railway operation. All I can say to my hon. friend, and I hope he will be satisfied with it, is that there is no intention in the legislation to relieve the railways of the necessity of complying with the requirements of the province in the operation of these motor vehicles.

There again I think the minister intimated very clearly that, so far as he was concerned, he did not think that power was in the bill but, Mr. Speaker, I can assure you I think it is there.

Mr. Speaker: Would the hon. gentleman consider this a good point for him to break his speech?

Mr. Johnston (Bow River): Yes, I would think it is a very good point to call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Johnston (Bow River): Mr. Speaker, when we called it six o'clock I was speaking in the debate on second reading of Bill 351, and I had pointed out that there were things which had crept into the writing of the bill which, in my opinion, were not then known to the Minister of Transport, and that when he gave his statement to the house the other day saying, in effect, that it was not the intention of the government to extend the powers of the railways over truck transport any more than it then possessed, he made that statement in all sincerity. I believe he did, but that he had one put over on him when those who framed the legislation drew it up. I think the minister would almost agree with my statement in that particular.

I should like now to go a little further with what I was saying before six o'clock, when I was pointing out the minister had indicated that there are one or two places in the proposed bill where he intends to have some changes made. He did indicate that where part III of the first schedule refers to the Canadian National Transportation, Limited—

Mr. Marler: And the other companies in part III.

Mr. Johnston (Bow River): And the others, too. He did indicate that he is going to have

it changed so that it will make sure that there is not any misunderstanding with regard to the powers being allotted to the railway companies.

Mr. Marler: Yes.

Mr. Johnston (Bow River): And, as the minister says, to any other companies to which that may apply.

Mr. Marler: To which part III applies.

Mr. Johnston (Bow River): Yes, to which part III applies. Well, that is a very broad statement, because I do not know to just what other parts part III of the first schedule applies. So again I must take what is in the bill.

I am afraid however that there are other parts of the first schedule that would appear somewhat suspicious—that is, parts other than the one to which the minister referred. For instance, there are several references in the first schedule to the Canadian National Express Company. Now, the Canadian National Express Company operates trucks. To what extent they could go ahead and operate trucks to accomplish the same purpose, I do not know.

Then, reference is made to the Canadian National Transfer Company.

Clause 27 in the bill gives the railways extreme powers, when it authorizes them to operate motor vehicles of all kinds and to lease them. It gives power to—

—maintain and operate motor vehicles on highways in Canada or elsewhere for the carriage of traffic and may charge tolls therefor.

Unless that section were done away with, too, it seems to me that, regardless of whether the minister changes something in the first schedule, the railways would still have the power to enter a province and start a trucking business. As I said the other day, they could operate a truck line between Calgary and Edmonton, regardless of the protests of the province—and this, even though the schedule was changed.

Clause 27 is indeed a most dangerous one for the provinces, because the railways could go in and override any provincial legislation contemplated by the provinces, or legislation then in existence.

Then, too, there is contemplated in clause 18 of the bill a most dangerous provision. I would draw the minister's attention to the very first line of that clause where it says: "The railway or other transportation works". In that section, regardless of whether or not the minister removes some of the items in the first schedule, that line in clause 18 which refers to "the railway or other transportation works" could include, in my judgment, any type of truck transport the railways might want to operate. And unless it was indicated specifically that "the railway or other transportation works" excluded those referred to in clause 27, then the railways would be able to operate in any way they saw fit. But if it was indicated in clause 18 that the "transportation works" excluded those referred to in clause 27, the section so amended might have some bearing on that matter. Then in the second part of clause 18 it refers to "the works of every company that is comprised in Canadian National Railways". There, too, is a tremendous leeway for the company.

So again I draw to the minister's attention the fact that, even though he were to remove part of the first schedule—which he says he is going to do—I do not think this action alone would be sufficient, because there are other places in the proposed bill that would give the railways the right to carry on operations as fully as they intend to. Because certainly the term "Canadian National Railways" is used on many occasions, and it seems to me that term is broad enough to allow the railways to operate trucks in any manner they see fit.

I say again that I do not think for one moment this was an oversight by the railway company, because they are too shrewd, by far, to allow a thing like this to escape their attention, particularly when on almost every occasion they have made particular efforts to squeeze the trucking business out of existence—not merely to put it on a fair, reasonable and competitive basis, not at all, but to squeeze it right out of existence so that they can monopolize the whole transportation system.

Oh, if we wanted to go into agreed charges —that, too, is another matter. But, mind you, they would hardly need agreed charges if this bill went through as now framed. They would have no competition from the trucks. Mr. Gordon said in committee, in effect, he was not going to give trucks any advantage. He could get rid of them. And, make no mistake about it, that is what they have in mind.

Mr. McIvor: May I ask the hon. member a question. Does clause 25 say that all trucking shall belong to the railways, or is other trucking expelled?

Mr. Johnston (Bow River): Well, that just draws my attention to another expression I would like to bring to the attention of the minister. Clause 25, to which the hon. member for Fort William has referred, says in the very first line:

The national company—

That is, the national company—

—may carry on all business that is customarily carried on by express companies, including, without restricting the generality of the foregoing, the handling of express money orders or other methods of transmitting or handling money, securities, or other articles of value.

Mr. Speaker: Order.

Mr. Johnston (Bow River): I know I am referring to the bill, Mr. Speaker, and I shall not refer to it again.

Mr. Speaker: Yes, but can we not get away from a discussion of the clauses? I know it is tempting, for the purpose of making an argument, to put certain clauses on record, particularly when most of one's speech deals with one clause or another. But at this stage I think we ought to get away from a discussion of the clauses. That is what the rule says.

Mr. Johnston (Bow River): Your Honour will realize that I referred to the clause because the hon. member for Fort William had made specific reference to it. And that is another point to which I would draw the minister's attention. There is an important background in this of which I think we should take cognizance. The reason I am so concerned is that the bill proposes to insert the words—and the Minister of Transport has already made reference to this, so I suggest I am not out of order in repeating these words—

The works of every company that is comprised in Canadian National Railways but is not incorporated by or under the laws of Canada are hereby declared to be works for the general advantage of Canada.

That appears in two places in the clause—"for the general advantage of Canada"—and indicates the damage which could result from any bill using those words, particularly this bill.

To give some idea of the importance of that clause in the bill I wish to refer to another article from a prominent individual in Canada who is now dead. I draw to your attention again, sir, that those who put that expression in the bill knew without doubt what they were doing. I refer to the particular words that I mentioned a moment ago "for the general advantage of Canada." To give you some idea of the tremendous importance of this section, I want to quote from an outstanding authority on legal matters, the former chief justice of Canada, the late Right Hon. Sir Lyman Poore Duff, when he commented in the course of replying to certain questions referred to the Supreme Court of Canada by the governor general in council in October, 1929, as follows:

The authority created by section 92 (10) (c) is of a most unusual nature. It is an authority given to the dominion parliament to clothe itself with jurisdiction—exclusive jurisdiction—in respect of subjects over which, in the absence of such action by parliament, exclusive control is, and would remain vested in the provinces. Parliament is empowered to withdraw from that control matters coming within such subjects, and to assume jurisdiction itself. It wields an authority which enables it, in effect, to rearrange the distribution of legislative powers effected directly by the act, and, in some views of the enactment, to bring about changes of the most radical import, in that distribution;—

This is one example in the bill. I continue:

—and the basis and condition of its action must be the decision by parliament that the "work or undertaking" or class of works or undertakings affected by that action is "for the general advantage of Canada", or of two or more of the provinces; which decision must be evidenced and authenticated by a solemn declaration, in that sense, by parliament itself.

That has reference to the British North America Act, Mr. Speaker. When the framers of this legislation put the section under discussion in the bill they knew that when this transport bill was given this wide power and Canadian National Transportation, Limited, was included in that, along with similar expressions, they were taking away from the provinces every vestige of control over trucking within their boundaries.

The British North America Act has this to say about the expression "for the general advantage of Canada". Section 92 of the British North America Act reads:

Exclusive Powers of Provincial Legislatures.

92. 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,—

Subsection 10 (c) enumerates them and reads:

Such works as, although wholly situate within the province, are before or after their execution declared by the parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.

By placing these words in the bill, the railways are permitted to enter any province, even though that province has enjoyed the exclusive rights over transportation and trucking for 100 years, and usurp the whole powers of the province.

Mr. Dufresne: They always have since confederation.

Mr. Johnston (Bow River): Even though they have exercised such powers, there is no reason why we should delegate that by statute, and it would be a very bad mistake, Mr. Speaker, to do it.

The late Sir Lyman Duff recognized the importance of that section in the British North America Act, and he pointed out that wherever the federal legislation has drawn

on it and has used that expression, it has been used for the express purpose of taking absolute control of those subjects over which provincial governments have always exercised their jurisdiction. We must be very careful in this house that we do not exercise any more powers of centralization than we already have.

I suggest to the minister that when he brings in his amendments to the bill, which he says he intends to do, he should not overlook changing clause 18 and clause 27 and all those other parts of the bill which refer to motor transportation. I hope he will see that these clauses are withdrawn from the bill and that there are no further infringements upon provincial rights.

There is just one more word that I should like to say in regard to this matter. When the bill is referred to the committee, I hope the minister will make the order of reference sufficiently wide so that all parties concerned in this matter, the trucking organizations, the railways and others, will have the right to come before the committee and state their case and have this legislation drawn up in the interests of all of Canada.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, I shall trespass on the time of the house for only a moment. There are one or two provisions of this bill which I must take exception to. This afternoon the Leader of the Opposition (Mr. Drew) and the hon. member for Bow River (Mr. Johnston) objected to this legislation on the ground that the trucking provision was a violation, or an invasion, of provincial rights. Frankly, I cannot get too excited about that aspect of the act, although I am sure my colleagues, the hon. member for Beauce (Mr. Poulin) and the hon. member for Chicoutimi (Mr. Gagnon), will comment on it. I oppose this bill for another reason.

It seems to me, Mr. Speaker, that the main purpose of the Canadian National Railways should be to run a railway. It seems to me also, that the main purpose of the executive and the officials of that company, should be to concentrate all of their efforts on running that railway, in a successful way.

Any hon. member who looks at the C.N.R. balance sheet, even in a superficial way, knows that so far the present management has not been able to make a financial success of our government-owned railway. Three years ago Mr. Donald Gordon and the government came to this parliament, and asked for a reorganization of the capital structure of the Canadian National Railways. The net effect of that reorganization was to wipe out more than $1 billion and substitute therefor non-interest bearing stocks. The government told us at that time that, if the reorganization was proceeded with, future balance sheets of the Canadian National Railways should be a good deal better; the profit and loss statement should improve. To a degree perhaps it has, but the over-all picture is still pretty bad as far as the Canadian taxpayer is concerned. But this year once again the Canadian National Railways have shown a huge deficit of $28·7 million.

All Canadians realize the role which the Canadian National Railways have played and are playing in the opening up and in the developing of the Dominion of Canada. Most of our citizens are willing to finance capital expenditures for the Canadian National Railways when they are used for that purpose—namely the opening up of the Dominion of Canada. But in my opinion they are neither willing nor anxious to pay taxes to permit the Canadian National Railways to embark on a lot of side enterprises apart from railroading merely to duplicate or compete with existing facilities. Such a trend is becoming more prevalent every year within the Canadian National Railways.

Last year, despite the fact that the railroad was operating at a substantial loss, the government came to us and demanded the fantastic sum of $20 million to build a luxury hotel in the city of Montreal. They asked for that huge sum, despite the fact that there were already dozens of other hotels in Montreal, and despite the fact that the existing Canadian National hotels, for the most part, had over a period of years not been profitable.

The bill that is before us tonight permits the Canadian National Railways to go into a good many business enterprises other than railroads. For instance, one clause of this bill permits the company to construct or acquire telecommunication facilities in Canada or elsewhere in the world. I ask hon. members to note the word "elsewhere". What is the government policy in regard to telecommunications? What new investment is proposed? What extension is planned elsewhere in the world? Precisely how will this extension help the Canadian taxpayer? I think the minister should answer those questions.

This afternoon the Minister of Transport (Mr. Marler) assured parliament that, as far as trucking was concerned, this bill proposed no great change in government policy. I think he made that statement to the Leader of the Opposition (Mr. Drew). I hope the minister will pardon me if I say that it is a little difficult for hon. members to accept his words at face value. Because what is

the minister saying? He is saying in effect: "We want these new powers which will permit the C.N.R. to go into trucking, but we are not going to use them". Why ask for powers which will not be used? I just do not see the logic of such a position.

As I read clause 27, the C.N.R. would be given wide and comprehensive powers which would permit them if they so desired to go into both the trucking and bus businesses. Such a development would inevitably mean a substantial investment by the taxpayers of Canada. Surely, before this bill passes, the minister should tell parliament what investment the C.N.R. proposes to make in trucking, and precisely why this step is necessary.

I cannot convince myself that the C.N.R. should go into the trucking business at this time. I think such a step would be undesirable; I think it would be unfortunate; and I think it would be contrary to sound business principles. What is more important, I do not think it would be in the interests of the Canadian taxpayer.

Clause 29 of the bill is even more revealing.

Mr. Speaker: The hon. member probably heard me ask the hon. member for Bow River (Mr. Johnston) not to refer to particular clauses. Reference to particular clauses of a bill is usually made in committee and not during the debate on the second reading. Would the hon. member be kind enough not to refer to particular clauses.

Mr. Thatcher: This is a bill to permit the C.N.R. to go into the trucking and bus business. But in addition it may go into such businesses as wharves, docks, dockyards, slips, elevators, offices, warehouses and other buildings. Just where is this going to end? If the C.N.R. were going to finance all these side enterprises out of profits I probably would not have much objection, but such is not the case. Today the C.N.R. has invested substantial sums of money in sidelines other than the railways, and it is taking the money for such unnecessary expansions directly from the pockets of the Canadian taxpayer. Before hon. members agree to the passage of this bill they should realize that every single Canadian is going to have to dig down into his pockets to help finance the expansions which Mr. Gordon and the government are planning.

It seems to me that Mr. Gordon and the C.N.R. officials first of all should make a financial success of running their railroad. Then when they have done that, if they so desire they can come to parliament to ask for additional money to run these sidelines.

I was disappointed this afternoon when neither the Leader of the Opposition nor the hon. member for Bow River moved an amendment to this bill. It seems to me that the matter is too important to rush through, so I am going to move an amendment. I may have trouble finding five hon. members to stand up, but I shall worry about that when the time comes. I wish to move, seconded by the hon. member for Chicoutimi (Mr. Gagnon):

That Bill No. 351 be not now read a second time, but that it be read this day six months.

This afternoon the Leader of the Opposition expressed the belief that a conference should be called with the provinces before this matter was settled. If he believes that, and I am sure he does, I hope that he will find it possible to support this amendment, which would make it possible for his wishes to be carried out.

(Translation):

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, Bill No. 351 now before the house, and entitled "an act respecting Canadian National Railways", cannot be of small concern to those who uphold and favour private enterprise in Canada. Nor can it fail to retain the attention of true Canadians, particularly the staunch defenders of provincial autonomy, as guaranteed by the British North America Act.

We note that the main purpose of the bill is to enable the Canadian railways to operate a highway transport system in any of the Canadian provinces and even from one province to another.

According to the bill, the Canadian National would be entitled to operate a trucking business for the transport of goods as well as a bus service for the transport of passengers.

Mr. Speaker, more and more the government is launching out into a dangerous socialist policy conducive to nationalization of the transport system, whether by rail or motor vehicle.

Little by little a nefarious centralization policy is being developed, which, on the one hand, will gradually destroy private enterprise and, on the other hand, deprive provincial authorities of powers which belong to them *de jure* and *de facto*.

To allow the Canadian National to operate such a transportation system would be a serious breach of the principles recognized since confederation and would amount to a systematic and gradual scuttling of private enterprise.

The contents of this bill show that the government intends to practise unfair and unjust competition with regard to people who

invested considerable capital, or small savings, in transport companies for the conveyance of goods or in bus companies for the transport of passengers. Should this bill be passed, it would be a serious encroachment upon the most elementary definition of democracy, because it would also cause a slow but painful and sure death to the transport industry in Canada.

I cannot bring myself to believe that the idea behind this bill originated in the mind of the Minister of Transport, for whom I have the greatest regard. I do fear, however, that it may be the irresponsible work of some powerful bureaucrat whose influence within the Canadian National Railways and the Department of Transport overshadows the influence that should be exercised first and foremost by the minister.

It is inconceivable that such a bill should have been introduced without due regard for its disastrous consequences, not only for the existing transportation industry but also for all Canadian taxpayers. It must be remembered that the proposed new subsidiaries connected with the Canadian National Railways, and whose establishment parliament is being asked to ratify by this bill, will be set up with the money and to the prejudice of the people.

All existing private companies already give full and complete satisfaction to their customers, whether it be for the transport of passengers or freight.

Those companies, large and small, were generally established as a result of enormous sacrifices made in the best interests of the patrons as well as in that of the operators. The competition they will now have to face will be considerable and it is to be feared that most of them will eventually fold up or face bankruptcy. Private enterprise is certainly in no position to face government competition, a competition which can, at any time, drive out private competition because of the vastly larger capital at its command. It must not be forgotten that it may call upon the people's money as it wishes.

Should the Canadian National Railways one day take a fancy to remain alone in the transport business in this country and to eliminate all their competitors, they could achieve their purpose with the greatest of ease. Might, in this case, would make right.

Not being subject to the laws in force in the various provinces of this country and being subjected to no authority but that of the board of transport commissioners, which comes under federal jurisdiction, the Canadian National Railways can, at any time, wage a price war upon those which stand in their way. On the railways' recommendation alone the board could approve of a reduction in rates in any of the provinces of this country, with no regard for possible consequences.

Why should the Canadian National worry about profit and losses in its operations, since this is a government owned business? If, at year's end, it finds itself facing a deficit, it can always call upon the Canadian government to use its majority in this house to vote such amounts as are necessary to make good the deficit. One fact which will be forgotten then, as it so often was in the past, is that in this case, as in others, it is the Canadian taxpayer who always foots the bill.

This measure, Mr. Speaker, sets a very dangerous precedent and jeopardizes the future of private enterprise. It brings us a step closer to a reprehensible centralization, which wide-awake people are trying to check. What is worse, some sections of that bill are nothing less than a direct provocation to the provincial authorities, which, up to now, had control over the transport industry in Canada.

The section of the bill which prevents provincial authorities from exercising their jurisdiction over the operation of various Canadian National services making use of the provincial highways, which were built with moneys collected in the respective provinces, is an invitation to disorder. It is not the first time, by the way, that the Liberal government of Ottawa sets such a bad example.

Even if it were only for the reason I just mentioned, I hope that the Minister of Transport will agree to withdraw the bill now before the house, for the protection first of private enterprise in Canada and then of the poor taxpayer who cannot foresee in the future that relief so urgently needed.

Mr. Speaker, since this discussion has been mainly on two sections of the bill to which a majority of members seem opposed, I wonder if the Minister of Transport could not split up this bill into two parts? Why not bring down a bill to consolidate the existing legislation which is enacted again in this Bill 351, and then bring down a special bill on the question which concerns most members as well as the provinces and all those who hold a position in our private transport industry?

I know I shall be told, Mr. Speaker, that when drafting these sections, a section of the British North America Act, that is, section 92, subsection 10, paragraph (c), was used as basis; it reads as follows:

> Such works as, although wholly situated within the province, are before or after their execution declared by the parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.

It is amusing to note, Mr. Speaker, how that charter known as the British North America Act is by-passed by the government when it suits its own purpose, and also how abusively and skilfully it is resorted to when, again, it serves the government's purpose.

I trust, Mr. Speaker, that the hon. Minister of Transport will not prove indifferent to the flood of correspondence he received, particularly from the chambers of commerce of Quebec province, from the federation of those organizations, and a number of other groups which are availing themselves of our road transports. I hope he will alter, if not the whole bill, at least the two sections relating to the point I just mentioned. I hope he will pay particular attention to my remarks and that, when the two sections we oppose are brought before the committee, he will not hesitate to invoke that same section of the British North America Act and strike them out of this legislation for the benefit of this country as a whole and of all of its citizens, and more particularly of private industry which otherwise would go to rack and ruin as it would have to face a centralization firmly established by the federal government.

Mr. Speaker, I urge the hon. minister to give serious consideration to my remarks and to those of the hon. members who preceded me, and I am convinced that when the house is in committee, the two controversial sections, which are known to everybody though I am not allowed to quote their numbers, have been eliminated.

(*Text*):

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, perhaps I would not have had anything to say on this bill were it not for the fact that we are now faced with a motion. As far as I am concerned, I do not intend to support the motion to give the bill the six-months hoist. In my judgment, I have always considered that particular line of action to be a rather cowardly way, if I may say so, of getting out of making a decision. Either the bill is right or it is wrong and it should be either voted for or voted against. I do not think we accomplish anything by asking someone, six months from now, to make a decision on something on which we should make a decision now.

Mr. Speaker: Order. May I ask the hon. member to revise the expression he used when he said he thought it was a cowardly way of reaching a decision. It is no doubt a reflection on the person who moved the amendment. The hon. member is usually wise and reasonable. He could perhaps modify that expression by deleting the qualification "cowardly".

Mr. Gillis: Mr. Speaker, I was not making that reference apply to any particular person. But if you consider it to be offensive, I will say that it is following the line of least resistance.

An hon. Member: Ducking the issue.

Mr. Gillis: In other words, ducking the issue. As far as I am concerned, one of the crying needs in this country today is for a national transportation system. When you take a look at the freight rates across this country, with the development of transportation in the air carrying both passengers and cargo, the St. Lawrence seaway which will provide another means of transportation fairly well across the country and the trucking business that is being built up straight across Canada, if we are sensible I think we must realize that some time someone must have the courage to take hold of the whole transportation system across the country, bring it under one regulatory body somewhere and see if he cannot get some sanity into the whole system, with the possibility of the equalization of freight rates, whether the transportation is by air, land or water, by means of trucking or by railroads. I think that procedure is a "must" and that it will have to come. I think this bill is a step in that direction. First, it is an attempt to bring under one set of covers all of the statutes that have to do with the Canadian National Railways so that it will be a handy reference for anyone who wants to talk about railway legislation.

As far as the C.N.R. is concerned, may I say that I have served year by year on the committee that looks after their accounts. I have served on that committee fairly continuously since coming to the house. While the railway is doing many things that we do not like, nevertheless we must recognize this fact. This railway is serving many sections of this country that otherwise would

not be getting any service at all; if it is to be on a straight commercial basis, there would be no service. If you are going to measure the service of the railway and its value to the country in terms of dollars and cents, then you will tear up a great deal of the mileage of the Canadian National Railways.

When someone says that in this house a couple of years ago we wrote off a huge debt for the Canadian National Railways, may I point out that we did no such thing. We relieved the Canadian National Railways of a debt which they inherited, not one which they built up. The Canadian National Railways took over many operating railroads in this country when they were in bankruptcy or when they should have been put into bankruptcy. But instead of doing that, the C.N.R. took over those companies and also their bonds and continued to pay these bonds and the interest on them year by year, a procedure which piled up a huge deficit charged to the Canadian National Railways but which should have been written off in a bankruptcy court many years previously. Most of the members who have been here for some time and who have taken an interest in the struggles of the C.N.R. realize that the writing off of that debt was something that was proper. But do not think it was charity to the C.N.R. It was no such thing.

In the second place, unless the truckers, the airways and others are prepared to sit down and to come under one set of legislation, with someone in authority to regulate the future of transportation in the country, the situation is going to get worse and worse all the time. At least this is an attempt to get gathered together all of the legislation pertaining to that particular system so that you may have a handy reference and see exactly where the pieces of legislation fit in. If we want to measure the C.N.R. in terms of dollars and cents or profits, then we shall be obliged to discontinue a great deal of service across this country. I know that no member of this house is prepared to do that. In my judgment, the expansion in other fields is merely an attempt to get money in order to continue the service that is necessary. Unless they get that money, the C.N.R. are not going to be able to serve many of the unprofitable sections they are serving today.

I am prepared to make a decision on this bill now. There are many sideline issues that we can argue with Mr. Gordon. We do argue them with him and we shall continue to do so. However, I do not think they should be confused with this particular bill. I see nothing wrong with the bill. I think it is a step in the right direction. I think that we are going to have to go further than this. I think we are going to have to have transport under some regulatory body in order that we may get some sanity into freight rates on transportation by sea, land and air. This is something that must come, and it is not too far away. As far as I am concerned, I am prepared to support this bill now and to take a look at it in the future to see whether it is working out properly or otherwise.

Mr. Thatcher: Mr. Speaker, I rise on a point of order. When the hon. member began to speak, he indulged in some petty name-calling, something which it was his privilege to do if he so desired. But I think he knows quite well that the only possible motion that I could have moved, if I wished to have this bill turned down, was the one which I did move. That was the reason I proceeded in such a manner and no other.

Mr. Speaker: Order. In what the hon. member is stating now I do not think he has a proper question of privilege. He is complaining about the qualification which the hon. member used in connection with the action he has taken.

Mr. Thatcher: I am finished anyway.

Mr. Speaker: The hon. member may think that the expression used by the hon. member for Cape Breton South (Mr. Gillis) with respect to the motion moved by him was perhaps too strong. There are others who may perhaps think that it was not strong enough. In trying to have the rules observed and decorum preserved, I usually ask the co-operation of the member who has used a strong expression or one that may be called offensive. I think the hon. member for Cape Breton South has co-operated quite gracefully. He has modified his expression. At this moment I therefore do not think the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) can complain about anything.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I feel much as does the hon. member for Moose Jaw-Lake Centre. I feel that this matter of hoisting the bill for a matter of six months would be most important and most essential at this time. More particularly am I of that opinion because, by that procedure being adopted, we shall find that the dominion-provincial conference will probably have sat during the intervening space of time and it might well give the premiers of the various provinces as well as the Prime Minister (Mr. St. Laurent) an opportunity of discussing the importance of the issue at hand.

The hon. member for Cape Breton South (Mr. Gillis) said that he is prepared to make a decision now. May I say that we all appreciate the readiness of the hon. member for Cape Breton South to make a decision now. But we all understand that he is a socialist and that as such he does not at all mind putting everything under one head in this fair dominion. Therefore I can well understand his taking that attitude. When the hon. member for Winnipeg North Centre (Mr. Knowles) spoke on this subject this afternoon he was undoubtedly thinking along the same lines and expressing support for the C.C.F. attitude that the best way to cure the ills of the country is to bring everything under one head.

In supporting the amendment that the bill be not read at this time but six months hence I do so for three particular reasons. First, I consider that it involves an infringement of provincial rights. This topic was fairly well discussed this afternoon. Second, as I understand it, the C.N.R. was formed with the knowledge that the Canadian taxpayers were taking over a pretty poor business risk. We had businesses that were bankrupt and the Canadian government stepped in for purposes best known to itself at that time. Each of us can read the history of what happened, but apparently it was considered essential to keep our northland open in an economic way. My third reason is that we are apparently going to try to put out of business now the truckers who are actually subsidizing this very railway at this time. In other words, it is being done in the same way as my C.C.F. friends do in my own riding when they get the I.W.A. to support them and the Social Credit members of that organization also have to contribute 50 cents apiece to help to put me out of office. They have no alternative because the majority rules. The same thing applies here so far as the truckers are concerned.

To deal with each of these points in its own perspective, let me refer first to the question of the infringement of provincial rights. This evening the hon. member for Bow River (Mr. Johnston) mentioned that the late Chief Justice Lyman Duff had brought to our attention the necessity of exercising caution in respect of the infringement of provincial rights. I believe he did that in 1929 when dealing with a water act. Then earlier than that there was the case of Luscar Collieries Ltd. *v.* N. S. McDonald which is to be found in 1925 and 1927 Canada Supreme Court Reports. It was a very similar case and the justices of the day found reasons for bringing a spur line of some 5½ or 5¾ miles under the jurisdiction of the C.N.R. They did so not by reason of the fact that it was in the interests of Canada under section 92 (10) (c) of the British North America Act—they scrapped that idea altogether—but rather by reason of the fact that they decided it was in the interests of Canadian National Railways, the spur was an integral part of the railway and must be treated as such. Since the railway at that time was already nationally owned it was found that was sufficient reason to bring it under federal jurisdiction.

My second reason for opposing the bill is that when the C.N.R. was formed it was done with the full knowledge that the Canadian taxpayers were taking over a poor business risk. The people of Canada realized at that time that there were many bankrupt railways involved by reason of the fact that unnecessary risks were taken by venture capital to open up various regions of Canada with the hope that Canada would grow by such leaps and bounds that everybody would be wealthy who owned shares in these railways. I draw to the attention of my C.C.F. friends again that private enterprise capital is quite ready to risk money when it thinks it has an even chance of succeeding, and that was the case at that time. Unfortunately the country was not ready to be opened up as quickly as these people had hoped with the result that Canadian National Railways was formed to take over many of these bankrupt or practically bankrupt companies.

In taking over these railways we discovered they were not and could not be profitable because they were not constructed along profitable routes. There was not sufficient industry or a large enough number of people along the lines to make and keep these railways profitable. So the railway business began to go into other fields, and that is the danger I see in the bill now before us. Last year we voted an expenditure of some $20 million to enable the railway to go further into the hotel business. If we take over some of these trucking lines and still discover that Canadian National Railways will not pay, then I can envisage the minister coming back at another time and, in the national interest, taking over the restaurants along the C.N.R. routes because if we take them over they will probably make the railway pay. From that point we might possibly proceed to take over the wholesale houses because they supply the restaurants. This thing could keep on enlarging to the point where we will truly have the nation for which our C.C.F. friends have long hoped.

As to my last point, I feel it is wrong to ask the Canadian taxpayers, in effect, to subsidize an industry that is today oversubsidized. When the Canadian National and the Canadian Pacific were built we gave them certain rights such as the control of oil lease lands in the province of Alberta. That has certainly helped to a major degree in the case of the C.P.R., more particularly with respect to their control of Consolidated Mining and Smelting at Trail. I believe that well over 50 per cent of that company is owned by the Canadian Pacific Railway. Those things helped to add to the general economy of the railway.

They were done in the past and so we have no quarrel with them because they were inherited as the railways made their way across the nation. That was a part of the agreement. I am not going to quarrel with that at this time but I do take issue with the taking over of good sound trucking businesses, as a good number of them are, because of the inability of the C.N.R. to operate as economically as it should. That would be a tremendous help to the railway and possibly it might be able to break even.

I know that Donald Gordon explained to the railway committee that there were specific reasons for the loss that the railway showed last year. One was a bookkeeping matter having to do with depreciation, the difference between user and line depreciation, as he outlined it to us. The loss might have been $5 million less by changing the form of depreciation. Another reason was one that I am sure the hon. member for Winnipeg North Centre would be very pleased to hear. Last year, when the unemployment situation was so critical, Canadian National Railways kept some 6,000 to 7,000 men at work that the C.P.R. would never have retained.

I have not given too much thought to the matter of whether or not that was right, but offhand I do not think so. I do not think the state should keep people working for it unless there is something for them to do that needs to be done. In this instance these people were kept at work and were paid considerably more than comparable men in other industries who were dispensed with and had their jobs taken away from them.

Mr. Nicholson: Have you any shops in your riding?

Mr. Hahn: Yes, there are C.N.R. shops in my riding, and I can tell you a good deal about them. This very thing is going to have a drastic effect on them. I am sure the minister will bear me out when I say that it was only a couple of weeks ago I asked for certain information as to why our shops are being gradually closed. I am waiting for a return, and perhaps when I receive it I shall have more to say at some later time.

But at this time, and in connection with this bill, the essential factor is that we are discussing a proper way to carry on the business of the nation. I would say the C.N.R. should not be the body that keeps people on the job, just for the sake of giving them work. We should have an economic system set up in such a way that those people would have work, not just an occupation.

Mr. Pouliot: May I ask a question. Is the hon. member now referring to the large number of men employed by the Canadian National Railways for the shovelling of snow in the wintertime?

Mr. Hahn: Am I complaining about it?

Mr. Pouliot: Yes.

Mr. Hahn: Well, if that is the only way the Canadian National Railways have of getting rid of their snow, then I would say they have to get rid of their snow that way, and I would certainly say they should keep the men employed.

Mr. Gillis: But that is exactly what you are complaining about.

Mr. Hahn: If those are the people to whom Mr. Gordon was referring, people at Winnipeg and other points—

Mr. Johnston (Bow River): They were not the ones he was referring to.

Mr. Hahn: He said at that time that they were kept unnecessarily because there was not work for them, but that he was keeping them. There were 6,000 or 7,000, as I recall it—we can get the figures—who were doing practically nothing but drawing their pay. They were on the job. Read the minutes of proceedings; it will do you good.

Mr. Gillis: He was talking about the snow shovellers.

Mr. Johnston (Bow River): No, he was not talking about the snow shovellers. Do not mix it up.

Mr. Hahn: I am in some doubt as to who is making this speech, Mr. Speaker, but I presume we will soon find out.

Mr. Philpott: Get back to the trucks.

Mr. Hahn: I am not too concerned about the trucks just now. My contention is—and it is the contention of possibly every right-thinking businessman—that if you are going

to have a proper economic system in this nation you will have to have jobs for people to stay at work, so they will have work if and when they want it. In the meantime, to give them work in this way is not good enough. It is in the Lord Bennett fashion, where, on the prairies, it was said that when a road needed gravelling a wheelbarrow was all that would be used, rather than a bulldozer.

Mr. Pouliot: No one would shovel snow for funny money.

Mr. Blackmore: What do you know about funny money? Let us hear what you think funny money is.

Mr. Pouliot: I mean your scrip, your rubber stamp.

Mr. Blackmore: No such thing.

Mr. Deputy Speaker: Order.

Mr. Hahn: Thank you, Mr. Speaker, I can see that the hon. member for Temiscouata and I will have to get together and discuss the funny money situation.

Mr. Johnston (Bow River): He would not understand it then, even.

Mr. Hahn: Oh, I am satisfied he is capable of understanding. All he needs is a thorough explanation of it and, realizing the length of time he has been in the House of Commons, and what he has contributed to the nation during his life as a parliamentarian, possibly I will learn a good deal about parliament, at the same time.

Meantime my suggestion is that we must stop putting the Canadian National Railways into various forms of business in which private enterprise is engaged, and in which it is doing such a good job. I am satisfied practically all members would agree that, so long as the private individual finds the risk is a reasonable one, he will accept it and carry on the operation of our trucking business. And I would say further that it should be the purpose of government to go into business only at such times and in such places as private enterprise is not willing to take the risk, and the government should do so only if and where it feels that it is necessary that a particular type of business should be begun.

(*Translation*):

Mr. P. E. Gagnon (Chicoutimi): Mr. Speaker, because the bill now before the house entails encroachments upon the rights of the provinces, it is fitting that strong protest be voiced against those encroachments and I shall do so now although very briefly.

If the bill is passed in its present form, operations of the Canadian National bus and truck companies would come under the jurisdiction of the federal board of transport commissioners. It is an ill-chosen time to encroach upon provincial autonomy.

The Canadian National has no right to be placed in a privileged position toward its competitors. It should be subject to the same regulations and enjoy the same privileges as other similar organizations.

If there is one firm on which provincial authorities should keep an eye and whose operations should be supervised by those it serves most directly, it is the Canadian National.

As everyone knows, and I have said so many times, the province of Quebec is not getting from the Canadian National Railways the treatment to which it is entitled in all fairness. More often than not, the company's management has turned a deaf ear to our claims and requests.

As far as my particular district is concerned, the minister knows that the railway line from Montreal to Chicoutimi has long ceased to meet the needs of our population.

Twelve hours to cover 300 miles is far too long for the pleasure one gets on such trains where, most of the time, there is no dining car.

Stations along this line leave much to be desired in the way of comfort. The Canadian National Railways service in our part of the country is that of an old railway line built almost 70 years ago to serve the few villages of settlers then established in the Lake St. John district.

Today, with its grade crossings, its old station and its dilapidated buildings, it mars the city of Chicoutimi.

We have always had trouble getting some necessary improvements and our efforts were not more fruitful when we asked for the St. Felicien-Chibougamau railway.

I should hope that the Minister of Transport will soon be in a position to give us some better news on this matter. I have no intention of reverting now to this subject.

I merely wish to record my opposition to this bill because it contains clauses which encroach upon provincial rights and also because it carries us a step further along the road to the artificial paradise of the socialists and their state paternalism.

Canadian National Railways

The Canadian National Railways are not as yet able to operate at a profit. They are a sick business, as was recently stated by Mr. Fairweather, vice-president for research.

Their ailments and failings will not be remedied by giving them power to enter into the truck and bus business.

Their management will only find there a further opportunity for piling deficit upon deficit. Mind you, I do not think they lack the required ability, but I am convinced that they have to feed a white elephant which had to be taken off the hands of those who had brought it forth to save them from bankruptcy.

The Canadian National Railways are putting up a new hotel in Montreal. It should, by the way, be called Chateau Maisonneuve. A recent article in *Maclean's* magazine showed how logical it would be to give it that name, which has been recommended by the people of my province. This establishment will be rented to American capitalists. Will the same thing be done with the bus and truck lines which it is proposed to organize under the terms of this legislation? If these services are profitable, why not keep the profit? If not, why set them up?

The Canadian National is already enough of a drain on the taxpayers' pocketbook. It should not be given the means to be a further charge upon them. I therefore second the motion introduced by our colleague, the member for Moose Jaw-Lake Centre (Mr. Thatcher). I do so because I am against centralization in any way, shape or form, and against socialism, even when it is advocated by the hon. gentlemen opposite.

Mr. Raoul Poulin (Beauce): Mr. Speaker, I do not intend to waste the time of the house in useless repetitions; nevertheless I wish to voice my opposition to the passage of Bill No. 351 and explain why I shall vote in favour of the amendment.

While I do not have the advantage of being a lawyer, I shall risk an opinion in a field where I can very possibly err.

In my humble opinion, if the bill is adopted without amendment, it will remove from the jurisdiction of the provinces the various bus and truck lines and connected highway transport services operated by the Canadian National Railways.

While I know it is against the rules to discuss in detail the particular section which will create that situation, I can well say that this will be one of the general results—and not the least—of the adoption of the bill.

I stand to be corrected if I am wrong but I think that, even if in this case we do not infringe upon the letter of the constitution, we are surely going against its spirit.

It is quite easy to foresee, without too great a stretch of the imagination, the development and the importance that might be taken on some day by what the bill calls, in questionable French, "*les ouvrages de chemins de fer ou autre ouvrage de transport*". This means the possible development of fleets of trucks for the transport of goods, and of bus lines with many powerful units for the transport of passengers. And all that outside the jurisdiction of our provincial legislatures, which are nevertheless responsible for transport and traffic legislation within their boundaries, as well as for the onerous job of building and maintaining a highway system which is extremely costly for our provincial and municipal administrations.

Anyone conscious of the sometimes unbounded ambitions of the Canadian National Railways officials can well wonder whether the new transport organizations authorized under this bill will not some day become more important than all those which at the present time come under private enterprise.

We would then be faced with a strange and abnormal situation where provincial jurisdiction in a most important field of its own would be practically inefficient and inoperative, since it could not operate in a very important part of its sphere, which would then be under the jurisdiction of another political body.

But, even if this bill did not threaten to facilitate the gaining of a foothold in the field of provincial autonomy, the fact remains that it would represent a socialist measure which should be rejected, because it does not correspond to a real need and would in no way remedy the few abuses or inconveniences that may result from or be maintained by the present system.

On the contrary, this legislation would involve unfair competition with private enterprise, which has made considerable sacrifices in order to set up a suitable system, and would make the taxpayers responsible for the liabilities of a competitor who frequently shows a deficit, which he passes on to the taxpayer, instead of paying for his errors himself.

I would, moreover, Mr. Speaker, point out another fact which is familiar to me: there are a great number of small communities and remote and sparsely populated localities, where the larger transport organizations are not interested in operating, because there is no profit in it. These limited territories are served by individuals who are able, owing to their work, their efforts and their sense of economy to operate with a small margin of profit which allows them all the same to earn their living and, at the same time, be of help to the communities they serve.

It is to be feared, Mr. Speaker, that any future transport organizations of the Canadian National Railways of Canada will enter these territories and operate at a loss while competing unfairly with pioneers who have had and still have the merit of being self-supporting and do not ask their patrons to pay for their occasional losses. If, in these nice spring days, the Canadian National Railways suddenly feel the fever of expansion, they could, instead of embarking upon new ventures which will probably result in new deficits, try to calm this fever by undertaking urgent works which are actually and exclusively within their field, such as the construction of the railway line connecting Chibougamau and St. Felicien.

(*Text*):

Mr. John B. Hamilton (York West): Mr. Speaker, when I took my first look at this bill and saw that it affected some 65 companies and dealt with 23 individual statutes, I decided that it would certainly take a Philadelphia lawyer to speak intelligently on the technical aspects of it. Perhaps, then, I may be forgiven if tonight I speak on it as the son of an ex-employee of the Canadian National Railways, one who started with the old Grand Trunk Railway, which was mentioned by the hon. member for Winnipeg North Centre (Mr. Knowles), over 60 years ago. My only regret is that because of ill health he cannot be here in the gallery tonight. As a matter of fact, I gained some experience from being close to the railway and taking my first trip on it when I was four years old by riding with my father in the caboose.

It seems to me that in spite of all the expressions of affection for the railway which we have heard from all sides tonight, there still continues the tendency to snipe and bark on every possible occasion at the operations of this great company. It has its weaknesses, we all know that; but these weaknesses can be magnified many times if we continue to attempt to make a political football of its operations. We should consider the aspect of employee morale in connection with our criticisms. I wonder how we would feel if constantly, day after day, there was someone who had some new axe to grind in connection with the company that might employ us? Therefore, I say, by all means let us make this a business type operation. Let us give it the opportunity to be run as a good business. I do not think we will have accomplished that unless we are prepared to accept the ordinary principles of company organization and operation in the direction of this great public enterprise, the same principles used in connection with the direction and operation of our largest private corporations.

If we ask the people to look at the company in that light then I think it is clear that we should expect those who direct the enterprise to look on their duties in the same way. We should expect adequate direction from the head people of this corporation and we should expect them to appear before the standing committee on railways, canals and telegraph lines once a year ready to make a complete disclosure of the operations of the company. If it so happens that we are not satisfied with their stewardship during the previous year obviously there is only one answer—they need replacing. But they should not be harassed from day to day into the ensuing year.

When I look at this act I wonder if one of the failings in connection with the direction of the company can be found in certain observations by the hon. member for Temiscouata (Mr. Pouliot) who indicated in the house that he was loath to see a type of arbitrary control concentrated in one man. As a matter of fact I think the president of the Canadian National Railways would welcome the additional advice and help which he would get from a larger board of directors.

It is unheard of that a company of this size should be operating with a board of directors of seven and directed with an executive quorum of only four. The board of directors should be representative of the best business minds in the country. I am sure that there is no dearth of material and I am sure that there would be no reluctance on the part of anyone if the government should see fit to increase the membership on the board of directors, even to fifteen. Let us have the advice of the best businessmen we can get and avoid any indication that we are running a one-man show.

I think in the company there is unswerving loyalty to the president, but I think also that

the employees ask if it is not possible that within the ranks of that great organization there are men of a calibre who could head the enterprise which they may have served in for most of their adult years. For the maintenance of employee morale I think it will be necessary in the future to indicate to these employees that there is no job not open to them, not even at the top.

I think also that there is a necessity for better public relations. The hon. member for Cape Breton South (Mr. Gillis) referred to the obligations which had been handed down and placed upon this railway. It is time that we told the public the true story of that burden and indicated in its true relationship the job which the company is doing and can do.

I come now to the question of stewardship. It seems to me that we must attempt if it is at all possible to get this company, this management, on all fours with the provisions of the Companies Act. I like to think that everyone in this country is a shareholder in this railway and that once a year the members of the standing committee hold voting proxies for those people. Once a year the management should come to them and make a complete disclosure of the operations of the past year. It may be that we are not entitled to information in advance which may affect company policy, but I am quite sure that at the end of the year at the time when ordinarily shareholders would pass a resolution confirming the acts of the directors for the previous year a full disclosure should be made to that committee. In regard to reports and opinions when dealing with companies I should like to read from Masten and Fraser's "Company Law of Canada", page 658:

> As regards the right of inspecting reports and opinions, the principle is that, shareholders having a common interest in the company's property, an opinion having regard to such property paid for out of the company's earnings is the common property of the shareholders; but the principle does not apply where the interests of the company and the shareholders are adverse and the parties are sundered by litigation: Woodhouse & Co. Limited v. Woodhouse (1914) 30 T.L.R.559.

Then I think of the employees of this company as being shareholders, and I quote from the same publication at page 720:

> A by-law or resolution of the directors will be invalid and ultra vires of the company if it operates unequally towards the interests of any class of the shareholders: North-west Electric Co. v. Walsh (1899) 29 S.C.R.33.

I think of these employee-shareholders as being a special type of shareholders and I wonder when such agreements are entered into as the one with the Hilton corporation if we are not passing bylaws or resolutions which are ultra vires of the company because they react unequally towards the interests of a class of shareholders. When we do that we foreclose those people from an opportunity to get to the top in their chosen profession.

Then in connection with borrowing money and the provision of the Companies Act in connection therewith, in the case of an ordinary company it is necessary for two-thirds of the shareholders to confirm a borrowing bylaw. This is protection for the shareholders of the company, so that there will not be any steamrollering which may affect the physical assets or the securities of the corporation unless two-thirds of the shareholders approve. Yet in the operation of this company over the last year we have seen a tendency to steamroller special provisions in connection with borrowing money in connection with which we have not been given adequate information.

I know, Mr. Speaker, that I am not supposed to refer to specific sections in connection with this legislation, but I do not believe I can pass without saying this. Unless there is some general provision in connection with the holding of these directorships, it is possible for even Conrad Hilton himself to be appointed to this board. I see nothing in here which restricts the appointment of the chairman of the board to a person who is a Canadian citizen.

In addition I note something unusual as well, that the president of this company may not be a director—a very unusual type of arrangement, as you find that in the Companies Act it is necessary that the president of the company be on the board of directors. I wonder what type of operation we can expect, unless the man who is closest to the administrative functions of the company is sitting around the table with the rest of the directors. These are provisions which must be studied closely.

There are aspects we have talked about today in connection with federal and provincial jurisdictions, but to make this company work and work well there are the problems of personnel and their morale. Let us see that between meetings of the standing committee this company is allowed to plot its own course and do its own job. Let us free it from the everyday sniping, but then once a year bring it strictly to account before the shareholders and make full disclosure of all the facts that should be presented at any annual shareholders' meeting.

Mr. Jean-François Pouliot (Temiscouata): Mr. Speaker, there are very few occasions when I have the pleasure of thanking a member of the opposition for services rendered. This time I want to express my appreciation

to the hon. member for York West (Mr. Hamilton) for having confirmed in every way what I said the other day about the powers of the chairman of the Canadian National Railways. In that respect I have some excerpts, one from a deeply Conservative paper, the Ottawa *Journal*, and another from the Toriest of all Tory papers, the *Post-Record* of Sydney, which I shall read. The other day I said that it was the Tory policy to prevent members of parliament from inquiring about what is being done. I do not wish to disturb my hon. friend. I shall try to be as gracious to him as he has been gracious to me, but I want him to know the truth about the management of the Canadian National Railways and its dealings with the parliament of Canada.

There are two policies. There is the Liberal policy and there is the Conservative policy. The Liberal policy is to the effect that members of parliament have an unquestionable right to secure information from the management of the railway and to exercise the necessary control over the expenditures. That is the Liberal policy.

An hon. Member: Why don't they follow it?

Mr. Pouliot: This is why the committee is called, to hear the statements of Mr. Gordon and his staff. Then there is the Conservative policy, which is to the effect that the Canadian National Railways shall be left alone to manage the company in a true business manner without any interference from politicians like my hon. friend from York West, the member for Temiscouata, and all of those. It is the kind of policy of laissez faire which has been so well described by Thackeray in his essays, which my hon. friend must remember better than I do, as he is younger than I am and his reading of that must be fresher in his memory. The Tory policy is a policy of laissez faire. Let well enough alone; do not intervene in the good management of the Canadian National Railways; leave them alone; they are experts and they know what they have to do. We politicians must bow to them. We must let them do all they want, always provided that it is not done by the politicians, and provided that the politicians do not interfere with the management.

My hon. friend from York West suggested that the number of directors should be increased. Why? No one is consulted. Why should we have more? At the present time there are six or seven, and Mr. Gordon pays no attention to them, just as if they did not exist. My hon. friend suggests that they should be more numerous. Why not consult the members of parliament? We have the committee. As a classical example, I asked Mr. Gordon to tell me the price that he had paid for fence posts—something like that, but bigger. My hon. friend would be surprised. Mr. Gordon has very much confidence—and I am very glad that Mr. Gordon was not a professor of philosophy. He told me that it was unethical to inquire about the price paid for fence posts by the Canadian National Railways. We do not have the same ethics.

An hon. Member: They were not political fence posts?

Mr. Pouliot: No, they were supposed to be made of good timber—cedar fences. Then my hon. friend was a learned barrister at law and he had the law in hand when he told us that the decisions of the company must be confirmed by two-thirds of the shareholders. He had a big book and he quoted precedents, just the same as he would have done before parliament sitting as a high court—the high court of the land. My hon. friend knows one thing and many more; but there is one thing that he does not know or that he has forgotten. It is that the companies incorporated by virtue of the Companies Act of Canada or the companies act of any province are supposed to make regulations to govern their meetings. Although my hon. friend has not been sitting here long he is too experienced a member to ignore the laws of the land and he is too conversant with them to do so. It is too bad that, instead of wasting his time in reading a big book on company law, he has not read the previous reports of the railways and shipping committee which contain extremely interesting material.

Mr. Hamilton (York West): I have them here also.

Mr. Pouliot: If my hon. friend has read those reports, he has read them too quickly, and he did not have the time in which to memorize what has been said by Mr. Gordon. As reported at page 226 of the report of 1952 we find the following:

> Mr. Pouliot: No, no. Mr. Gordon, I asked for the bylaws of the railways and I see in this section there is a mention of the board of directors. I wonder why you have any objection to letting us have the bylaws of the board of directors of the railways.
>
> Mr. Gordon: Are you referring to section 11, Mr. Pouliot?
>
> Mr. Pouliot: Yes. The board of directors of the national company are mentioned there and I take the occasion to ask you this question, because I had a copy, a summary, an extract of the bylaws that were passed in 1927, and I wondered why I could not have the bylaws of the board of directors of the company.
>
> Mr. Gordon: Well, it is a little confusing; this board of directors reference in section 11 has to do with the Securities Trust. Now, is it the Securities Trust that you want the bylaws in connection with?

The Chairman: I think Mr. Pouliot just sees the words "board of directors".

The chairman was not a mind reader.

Mr. Gordon: There are no bylaws in connection with the Securities Trust that I know of.

My hon. friend will be much surprised to hear this:

Mr. Pouliot: No, no, but as the board of directors of the railway is mentioned there, I am asking why we could not get a copy of the bylaws governing the board of directors of the railways.

Mr. Gordon: I think I can make a general statement here. There are all sorts of bylaws tacked up on station walls, bylaws cautioning against spitting on the platforms, with regard to nuisances, and so forth. Certainly we will give you those.

Mr. Pouliot: But I am referring to bylaws concerning meetings.

Mr. Gordon: There are all sorts of bylaws affecting the internal day-to-day management of the company that are not appropriate for release. They have to do with all types of matters.

Mr. Pouliot: Such as playing poker on the train?

Mr. Gordon: Yes, we will give you a bylaw covering that. We do not approve of poker on trains.

Mr. Pouliot: I will tell you in black and white what I would like to have. I would like to have a copy of the bylaws covering the passing of resolutions.

This is what is referred to in the company law so that meetings of the board of directors are orderly.

Mr. Gordon: The passing of resolutions?

Mr. Pouliot: What I would like to know is the constitution of the company in virtue of the will of the board of directors.

Mr. Gordon: Yes.

Mr. Pouliot: You must understand what I mean.

The Chairman: Do I understand, Mr. Pouliot, that you wish to have copies of any bylaws that delegate to the directors the power to pass and to deal with matters by resolution which ordinarily would be dealt with by bylaws?

Mr. Pouliot: No, no, it is not that; what I want is very simple. I want a copy of the bylaws of the board of directors governing their meetings.

The Chairman: As to when the meetings are to be called?

Mr. Fraser: Or what their powers are?

Mr. Pouliot: Yes.

I will ask my friend the hon. member for York West to listen to this. I am not speaking. It is Mr. Gordon who is speaking.

Mr. Gordon: There is no such thing, Mr. Pouliot. What happens is this, the board of directors meets on a date which is agreed, and in practice we meet once a month. During the course of the board of directors' meetings, questions which come up for discussion sometimes call for formal resolutions covering legal matters, such as the execution of a mortgage or the release of property, or things of that kind. That is just a normal, ordinary resolution and it says "Resolved that the company agrees to do thus and so". Now, there is nothing formalized in bylaws about that. They proceed in the ordinary way any board of directors proceeds. There is, as I say, a public list of bylaws which refer to the conduct of the public in respect of company property, trespassing, spitting on the platform, committing nuisances on trains, and things of that kind.

[Mr. Pouliot.]

I will not continue. My hon. friend and my colleague have enough. There are no bylaws governing the meetings of the board of directors of the Canadian National Railways. Those meetings take place haphazardly according to the wish of Mr. Gordon.

I want my hon. friend to realize that I have observed the most parliamentary language in respect of this matter and that a suggestion or criticism is not an offence. I am sure that my hon. friend is not offended by what I have said to him. Mr. Gordon had no reason to be offended when I made a similar suggestion to him. But he does not accept any suggestion from anyone. So much is that so that we had this incident one day in the committee when reference was made to someone who could have disagreed with him. I said, "You would have fired him at once if he had disagreed with you". He then used an expression which is used in duelling, namely touché; and he happened to be.

The Ottawa *Journal* which belongs to the same political faith as does the hon. member for York West wrote an editorial on April 29. They headed the editorial, "Donald Gordon No 'Czar' ". It reads in part as follows:

If Mr. Pouliot had more experience of the facts, circumstances and processes which make a corporation or business tick he wouldn't talk such nonsense.

In other words, I would not say that Mr. Gordon could not be at the same time president and chairman of the railway, but I say that for the very good reason that the railway is not like an ordinary corporation, a bank or industry of some kind where the stock is owned by the shareholders and the shareholders meet to elect their directors who represent private interests. In the case of Mr. Gordon of the C.N.R. it is not a matter of private interests. It is public interest because the stock is owned by the people of Canada, and that is why Gordon has to be checked. Otherwise we will have much to complain about him, the same as happened with Sir Henry Thornton. It is very unfortunate. I do not say that to be unpleasant to Gordon. I have no grouch about him, but on the other hand the time has come when parliament should put its nose in that business contrary to the suggestion of the *Journal*. The editorial goes on:

He would know, to begin with, that Mr. Gordon, as president of the Canadian National and chairman of its board, isn't some sort of czar or mogul issuing edicts right and left to servile trembling subordinates, but mostly one member of a board, largely taking the advice, and sometimes compelled to take the advice, of his executives and fellow directors.

They are all experts over there. If the hon. member for York West (Mr. Hamilton)

knew more about it he would not have spoken as he has done, because I consider him an honest and straightforward colleague. It is a case where ignorance is bliss. The *Journal* goes on to say:

And Mr. Gordon, in this position, is on all fours with the head or president of any corporation—

It is untrue.

—be it a railway, a bank, an insurance company or a big manufacturing industry.

It is untrue for the reason already mentioned.

In certain circumstances, of course, where there may be lack of unanimity among board members or executives—

There is no lack of unanimity. They are not consulted. It is well known that there cannot be any lack of unanimity because Gordon decides alone.

—it is up to the president or chairman of the board to make a decision; to give the leadership which is implied by his position. But that is far different from his being a dictator, the sole voice or arbiter in all that concerns operation. No corporation could be run in that way—

Well, after having said that I was wrong the conclusion is that I was right, although they do not give me credit for it.

—nor any other institution for that matter. Not any more than it could be run by a babel of voices without some voice in the end having a final say.

This is the most illogical article that has ever been published by the Ottawa *Journal*, but I am happy with the conclusion. I am thankful for that just the same as I was thankful to my hon. friend for some of the statements he made which confirm my statement. I think if I read fast I will have the satisfaction of putting on record this editorial from the Sydney *Post-Record* of April 28, another Tory paper. The *Journal* is Conservative, the *Post-Record* is Tory, the two shades of opinion of the Conservative party. The editorial is headed, "Job With Authority", and reads:

A Liberal member of parliament protests that Donald Gordon is too much of a dominant force in running the Canadian National Railways. Mr. Gordon is C.N.R. president—a big man doing a huge job. Canadians certainly do not want a weakling at that post. The accusation of Jean-François Pouliot is frivolous although he himself is in earnest about it.

Thank you, Sydney *Post!*

His complaint is funny but also a little disturbing. The mighty C.N.R., spanning the continent, with a far-flung network of branching lines, has the attributes of the circulatory system of a living creature—which it is in the functions it performs, supplying the lifeblood of this young giant of a nation. The C.N.R., the property of Canada, is too vital to the country to be made the plaything of politics. It must have strong and authoritative management.

That is the same thing as my hon. friend has said, the same thing as the *Journal* has said, the same thing as all Tories everywhere are advocating now and have advocated from the time of Arthur Meighen, Borden, Bennett, Mackenzie and Mann and all those fellows. My young friend said I would like to see the founder of the C.C.F., Mr. Woodsworth, in the gallery, that he would have been proud of that. I will tell him I would have liked to see Arthur Meighen in the gallery. He would have cheered and the Speaker would have had to call him to order. He would have been elated to hear the hon. gentleman. We do not know whether the spirits of Sir Robert Borden and Lord Bennett in the great beyond are not rejoicing with him over his statement. Mackenzie and Mann must be very happy with his speech. I must finish before ten o'clock. The editorial continues:

No one is accusing Donald Gordon of inefficiency or laxness on the job. Instead it appears there are a few complaints in the House of Commons because he is doing it "too well". That's what it amounts to when we analyze what was said. Mr. Gordon simply is making an effective fist of the job he was appointed to do, without political interference but accountable in his performance to the nation.—

But not to the committee. No one can know the price of fence posts.

—And Canadians at large—this seems certain—don't want any political monkeyshines interfering with the job.

Monkeyshines! We are monkeyshines according to this Tory sheet of Sydney. Members of parliament are insulted because they forget—

An hon. Member: Ten o'clock.

On motion of Mr. Pouliot the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall continue the order of business as outlined on Friday night.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, May 24, 1955

The house met at 2.30 p.m.

PRIVILEGE

MR. DREW—SIGNIFICANCE OF USE OF WORDS "ROYAL ANTHEM"

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, before the opening of the house yesterday the Prime Minister (Mr. St. Laurent) in private conversation asked whether I would join with him in asking those present to sing the first verse of "God Save the Queen", as had been done last year. Naturally, I agreed wholeheartedly with the suggestion.

Mr. Speaker: Order. May I ask the Leader of the Opposition if he would raise this matter on the orders of the day.

Mr. Drew: I am rising on a question of privilege, in view of the statement that I made a proposal of which I was unaware at the time. The Prime Minister used these words, as reported at page 4001 of *Hansard*:

> Today the people of Canada are celebrating officially the anniversary of Her Majesty's birthday. In this house, as in other years, we will be evidencing our devotion to Her Majesty by continuing to give consideration to the public business of her Canadian subjects. But with your permission the Leader of the Opposition (Mr. Drew) and I would like to suggest that before doing so we stand and sing together the first verse of the royal anthem.

I was not aware of the words that were to be used, and of course I do not suggest that there was any discussion of the actual words that would be used. I did not have an opportunity to mention this yesterday, because naturally the members all rose immediately and sang "God Save the Queen". In view of the fact that there is a tendency for statements placed on record to establish precedents, and that my name was joined in this suggestion, I do think it appropriate that I should ask the Prime Minister what was the significance of the words "royal anthem" used on this occasion.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I assure the Leader of the Opposition that there was no other intention than to express our devotion to our beloved sovereign by singing the anthem which is a prayer for her success in this life and happiness in the hereafter. I had given no previous thought to the way in which it could be described. It is the anthem which has been spontaneously accepted by the loyal subjects of Her Majesty and her predecessors throughout the commonwealth. I hope it offends no one to call it the royal anthem.

It seems to me it is significant that the loyal subjects of our sovereign throughout the commonwealth should wish to express in the form of a prayer their devotion to the beloved head of this great organization of which we are all the loyal subjects, and proud to be so.

Mr. Winch: May I ask the Prime Minister a supplementary question?

Some hon. Members: Order.

Mr. Speaker: This subject, I think, could more properly be raised on the orders of the day. The Leader of the Opposition had reason to raise it as a question of privilege because he had been associated with the suggestion yesterday and therefore I allowed him to state his point. If there are to be any further questions asked with respect to the exchange between the Prime Minister and the Leader of the Opposition I think they should wait until we reach the orders of the day.

[*Later:*]

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): In connection with the question that was raised a moment ago by the Leader of the Opposition on a question of privilege, I should like to ask the Prime Minister, is it not a fact that "God Save the Queen" is our national anthem?

Mr. St. Laurent: "God Save the Queen" has never to my knowledge been adopted by any act of parliament or any resolution or any proclamation. It has by usage, I think, been spontaneously accepted by all the subjects of the British crown that they express their devotion to the crown in that form. I do not know any Canadian who is not glad to participate to the extent of his vocal powers in singing that hymn.

Whether it should be called a national anthem or whether it should be called a national prayer, I really do not know. I know it is honoured by all Canadians, and I know there are a good many Canadians who also

like to pay similar honours to the other hymn, "O Canada". There have been debates in this house about national anthems and national flags. I do not think a debate over national anthems has ever been any cause of division. The debate over the national flag has caused expressions of very contradictory feelings, and I do not think Canada gains anything by controversies of that kind. I have always regarded both the tune and the words of "God Save the King" as an expression of devotion to the throne which is an essential part of our social organization, and I hope it will long remain a central part of it.

There have been suggestions that some of us on this side of the house objected to the word "royal". I think that is absolute nonsense. The hon. member and I expressed, I think, the feelings of practically all Canadians when we were considering the bill with respect to the royal style and titles. The hon. member recalls with what deep emotion and unanimity the sentiments we both expressed on that occasion were greeted by all our fellow members in the house. I hope that also will remain true.

Mr. Harold E. Winch (Vancouver East): May I direct a supplementary question to the Prime Minister. What is the national anthem of Canada? Is it "O Canada" or is it "God Save the Queen"? If the Prime Minister is not able to give a definite answer, is he as Prime Minister concerned about the matter, and is he prepared to bring in a recommendation to the house and to the people of Canada as to what is our national anthem?

Mr. St. Laurent: Mr. Speaker, I am not prepared to bring in any recommendation to the house to establish anything by law as a national anthem. I do not think that procedure has been necessary in any country of the commonwealth. The spontaneous feelings of the people of the commonwealth have always sufficed to indicate to them in what manner they could best express their devotion to the crown.

Mr. Winch: Will the Prime Minister answer my first question? Is there a national anthem for Canada?

Mr. St. Laurent: I do not know of any legislative provision made in this house or in the parliament of any other of the nations of the commonwealth establishing by legislation that such or such is the national anthem.

[Mr. St. Laurent.]

CUSTOMS ACT

AMENDMENTS RESPECTING VALUATIONS, DRAWBACK APPEALS, ETC.

Hon. J. J. McCann (Minister of National Revenue) moved for leave to introduce Bill No. 410, to amend the Customs Act.

He said: Mr. Speaker, the essential purpose of this bill is to clarify and bring up to date certain sections of the Customs Act.

The present law only requires vehicles to report to customs when conveying dutiable goods. As the house is aware, my department is now charged with the administration of other regulations such as those involving the health of animals, insect infestations and diseases of plants, etc., and in addition the departments of immigration and health are concerned that everyone crossing the border should report.

An amendment is being proposed to the valuation sections which clarifies and confirms our present principles of valuation. It is also proposed to limit the period following the date of entry for appeals against original appraisal.

The tariff board will be empowered to hear appeals from departmental rulings affecting export drawback as well as domestic drawback. At the present time, if goods are diverted from use for which free entry or a lesser rate of duty was accorded, we can only make demand for the proper duty from the person found in possession. It seems desirable to also hold the original importer responsible in cases of this kind.

At the present time a lien holder has only 30 days from the date of seizure to apply for a judicial order to declare his interest in the goods or vehicle seized, and it is proposed to extend this time to 60 days. I shall be glad to give further details when the bill is up for second reading or when we get into committee.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 406, to incorporate Stanmount Pipe Line Company.—Mr. Hellyer.

Bill No. 409, to incorporate Gillespie Mortgage Corporation.—Mr. MacDougall.

CANADIAN NATIONAL RAILWAYS

MELVILLE, SASK., ACCIDENTS—STATEMENT BY MINISTER

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, on Friday last I directed a question to the Minister of Transport in connection with accidents on a certain section of the

C.N.R. line in Saskatchewan. I wonder whether the minister is now prepared to answer my question.

Hon. George C. Marler (Minister of Transport): Mr. Speaker, the management of Canadian National Railways advise that on April 6, at mileage 71·4 on the Miniota subdivision, there was a freight train derailment caused by a broken rail. An investigation was held by the railway company and it was found the broken rail was due to a rare type of fissure.

On May 14 at Birmingham on the Touchwood subdivision a freight train was derailed, the cause being a soft track due to a water pocket under the track, which in turn was caused by frost. This accident occurred at three o'clock in the morning and the investigation disclosed that the track had been patrolled the previous evening, so this act of nature occurred with little warning.

In neither accident was there personal injury suffered. The management assure me that constant vigilance is maintained to prevent accidents of this kind.

PORT MANN, B.C.—ALLEGED LAY-OFFS AT SHOPS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of Transport. I regret I did not give notice, but perhaps he will take it as notice. Will the minister explain to the house why lay-offs are continuing at the Port Mann, British Columbia, shops of the C.N.R. and give the reasons therefor? Will he say whether or not there is any possibility of re-employment, or are more lay-offs expected? If so, will he give the reasons therefor?

Hon. George C. Marler (Minister of Transport): I shall take the hon. member's question as notice.

POLIOMYELITIS

SUGGESTED DISTRIBUTION OF SALK VACCINE BY PUBLIC AGENCIES

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Has the minister's attention been drawn to a dispatch over the week end from Washington which quotes Senator Neuberger as saying "the Eisenhower administration could learn a lot from our neighbours in Canada about a polio vaccine program".

In view of the fact that the cost of carefully tested vaccine for three immunizations is $1.50 in Canada compared with $3 in the United States, I wonder whether the minister could assure the health and welfare of Canadian children by having all the available vaccine in Canada handled by public agencies?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I would not want to comment on the earlier observations of my hon. friend.

Some hon. Members: Oh, oh.

Mr. Noseworthy: Modesty forbids.

Mr. Knowles: Just bow.

Mr. Martin: I think I would want the house and the country to know that there has been the fullest co-operation in this matter between the federal government and all the provincial departments of health. In this important matter I think it would be well for all of us to recognize that there are circumstances that bear the most objective of considerations.

With regard to the second part of what my hon. friend has said, I can only say that the source of the vaccine in this country at this time is the Connaught laboratories at the University of Toronto, and as a result of arrangements made between the federal and provincial governments in anticipation, the supplies that are being distributed at the present time to selected age groups come from that source. There is at the present time no importation from commercial concerns.

Therefore I think my hon. friend may conclude—and be happy with the reply I gave his leader the other day—that there is no disposition on the part of any government in Canada to deal with this situation in a way that is not in the interests of those particularly concerned.

PRAIRIE FARM REHABILITATION

FLOOD CONTROL, ASSINIBOINE RIVER—ENGINEERING REPORT

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): I should like to direct a question to the Minister of Agriculture. Does the government intend to implement the report of the P.F.R.A. engineering branch with regard to flood control on the Assiniboine river?

Right Hon. J. G. Gardiner (Minister of Agriculture): I am not just aware of what my hon. friend is referring to, but I shall look up the matter and give an answer later.

Canadian National Railways

CANADIAN NATIONAL RAILWAYS

CONSOLIDATION OF LEGISLATION—AUTHORIZATION FOR OPERATION OF TELECOMMUNICATION SYSTEM, ETC.

The house resumed, from Monday, May 23, consideration of the motion of Mr. Marler for the second reading of Bill No. 351, respecting Canadian National Railways, and the amendment thereto of Mr. Thatcher.

Mr. Jean-François Pouliot (Temiscouata): Mr. Speaker, to conclude what I said last evening, we must revert to fundamentals. Anyone will realize that there is a basic difference between the Canadian National Railways on the one hand and the Canadian Pacific Railway or any other company on the other hand. In the first place, Canadian National Railways are owned by the people of Canada whom we represent in the House of Commons, and all private companies are owned by their shareholders, who can decide about the management of their own companies by virtue of the companies acts of Canada and of the provinces. This distinction is essential, and it is the reason I have insisted so much on parliamentary control over the management of Canadian National Railways.

This Bill No. 351 is a great improvement because it contains many suggestions I have made, and especially those made on April 29. I do not take credit for their inclusion in the bill. I give the whole credit to the Minister of Transport (Mr. Marler) and to the government. Since I am precluded, not because of the rules of the house but because of a practice which might be changed when the committee on rules reports, from mentioning the clauses of the bill I cannot refer to each one by number. However, I might say that if my colleagues take the trouble to read the bill they will realize that many important enactments are made concerning the bylaws governing the meetings of the board of directors and the qualifications of the directors of Canadian National Railways with regard to the subsidiary companies.

There is something new that I have not suggested. It is that officers and employees of the subsidiary companies can be appointed to the board of directors of such company. I am opposed to that. I cannot move now that the particular section be changed, but the members of the committee on railways, canals and telegraph lines may wish to take the matter into consideration when the bill comes before that committee. In my view it would be an error to appoint as directors, and so give the power of control to, any of those gentlemen who are in the management of any one of those subsidiary companies.

That being said, and since in each matter there is a part that is good and a part that is not so good and we have to weigh what is good and what is bad, I would say that in this case this bill is so much better than previous legislation I cannot do otherwise than vote against the six-months' hoist. I shall conclude by saying that the Canadian National Railways are a necessity in this country, because we must have railway competition. The Canadian taxpayer has made great sacrifices to promote the Canadian National Railways, and to give the railway the opportunity to serve the people of Canada at large we must take advantage of this new legislation. If it is not perfect now it is better than it was, and it could be made still better in due course. Therefore, sir, I shall vote against the subamendment moved by the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher).

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I find myself completely at a loss to understand the furor of opposition by the Conservative party, the Social Credit party and the triumvirate independent party to the second reading of this bill. The Conservative party, the Social Credit party and the triumvirate independent party under the leadership of the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) all believe completely in free enterprise.

Mr. Johnston (Bow River): Do you not?

Mr. Winch: No. They are completely sold on the idea that the best interests of Canada and the economy of Canada can be served by wide open competition; and yet, Mr. Speaker, it was most amazing to listen yesterday to speeches on this bill in which they expressed their opposition to such competition. In all their presentations they indicated that they did not want competition, unless of course it was only among companies owned privately. When it comes to competition between a privately owned company and a company owned by the taxpayers of Canada they do not want it.

Mr. Johnston (Bow River): That is not true at all.

Mr. Winch: Well, sir, if I may make my remarks I shall do so. If my hon. friend does not like them, I cannot help it.

Mr. Johnston (Bow River): I just want you to state the facts, that is all.

Mr. Winch: But his facts are not facts at all. Mr. Speaker, I am basing all my remarks on the introductory words of the Minister of Transport when he moved second reading of the bill and the comments made by the

Conservative members, and I include the Leader of the Opposition. I am very glad he is here today, because I intend to refer to his remarks and to the statements made by the members to my left, the Socreds, and the independents.

I have always understood that those who support private enterprise believe in competition. I have always understood that they believe in businesslike methods and efficiency; and if a company cannot stand competition, then it is a case of the devil take the hindmost. That is private enterprise as I understand it.

May I deal first of all with the purpose of this bill, which is what? I cannot understand anyone who believes in private enterprise, based on efficiency and businesslike methods —and especially when it comes from lawyers —opposing this bill. What have we before us? We have a bill which will consolidate in one act of parliament all the operations of the Canadian National Railways. As was pointed out by the hon. member for York West (Mr. Hamilton), who is a lawyer, now we have an operation that consists of 65 companies and 25 acts of parliament. On a basis of efficiency and businesslike operation, surely it is in the interests of all that 65 companies and 25 acts of parliament should be consolidated into one act. For the life of me I cannot understand any criticism when it is levelled at a desire to consolidate 65 companies and 25 acts into one act of parliament. To me that is common sense; to me that is efficiency. To my way of thinking it should meet with the acquiescence of everyone, businessmen and legal men alike.

I now want to come to the matter of private enterprise and competition. You know, sir, I was amazed at the speech made yesterday by the Leader of the Opposition. I understand that he is called a brilliant leader of the opposition. I understand that he was—perhaps he is now—a very prominent member of the legal profession. Well, I will not challenge that, but I certainly cannot understand it because I never heard a more confused speech in my life than the one made yesterday by the Leader of the Opposition when he spoke on the second reading of this bill. He wants competition and he believes in free enterprise. My interpretation of his remarks is that he believes in competition and free enterprise so long as there is no competition from a company owned by the taxpayers of Canada.

I want to quote from the remarks made yesterday by the Leader of the Opposition, recorded on page 4024 of *Hansard*. The remarks are to be found in the third paragraph of the second column, as follows:

> Let us just see where this goes. If this right is given to the Canadian National Railways, is that an indication that the government is going to do the same kind of thing it does in regard to the C.B.C. and give to the government-chosen agency rights which deny fair competition as between private enterprise and government agencies? If so, then it must confer the same right on the Canadian Pacific.

Then an hon. member interjected:

> They have it.

I am admitting now that I was the member who said, "They have it".

An hon. Member: You are quite wrong.

Mr. Winch: Somebody says "You are quite wrong". The remark came from the Conservative benches. I continue with the remarks of the Leader of the Opposition:

> As a matter of fact I was going to say that they have it anyway. If this power is given to one railway, what about the Ontario Northland railway and what about the other railways right across Canada from British Columbia to Newfoundland? Every one of those can then demand, and with justice, equality of competitive position with the Canadian National Railways.

I repeat that:

> Every one of those can then demand, and with justice, equality of competitive position with the Canadian National Railways.

I should like to know why the Canadian National Railways, owned by the people of Canada, cannot be placed in a competitive position with the other railways in Canada.

An hon. Member: Haven't they got that?

Mr. Winch: My hon. friend asks, "Haven't they got that?" I am not going to spend time rereading what I read just now, but he should read it for himself. I cannot speak for the other provinces of Canada, but I can speak for British Columbia. The British Columbia electric railway operates in that province, and I have never heard of any Conservative or socred raising his hands in holy horror at the thought of the British Columbia railway taking over the Pacific stage lines which operate not only in British Columbia but on an international basis. They are operating now in Vancouver from the same ticket office and the same station.

I might mention the Canadian Pacific Railway. I cannot remember hearing of a Tory or socred raising his voice in horror in opposition to the C.P.R. owning the Esquimalt and Nanaimo railway on Vancouver island, which has taken over through a subsidiary both the passenger and trucking rights on Vancouver island through the purchase of the Vancouver Island Coach Lines and the Island Freight

lines. For years they have been operating that subsidiary, and I know that in Port Alberni the station and ticket office of the E. and N., which is owned by the C.P.R., is used by the coach lines and the freight lines of Vancouver island. To my knowledge that is the situation in British Columbia, in the case of this privately owned railway.

Why this opposition on the part of those who believe in equality and equity for private enterprise? Tories to my right and socreds to my left are going to deny to this company owned by the people of Canada the rights enjoyed by private shareholders, many of whom are not even residents of Canada.

Mr. Fulton: What we want is that they should not be given more rights than can be given under this bill.

Mr. Winch: We will come to that. I am speaking from knowledge, and the hon. member for Kamloops (Mr. Fulton) should know that as well. However, I notice that he did not speak on the bill or raise that point.

Mr. Fulton: Too many C.C.F.'ers were speaking yesterday.

Mr. Winch: In his concluding remarks the Leader of the Opposition suggested that the bill should be held over until a dominion-provincial conference was called. I know what I am saying is correct because I am referring to his remarks as reported on page 4025 of *Hansard* of May 23. Here is what the Leader of the Opposition said:

> I submit that before this bill is proceeded with there should be another conference with the provincial governments.

I can appreciate that statement, but I am puzzled to know what is the policy of the Conservative group in this house. First of all we have the Leader of the Opposition saying that before this bill is proceeded with there should be a conference with the provincial governments. I checked back on a statement made by another Conservative member of this house which received a great deal of editorial support. I refer to a speech made on May 10, 1955 by the hon. member for Winnipeg South Centre (Mr. Churchill) to be found on page 3647 of *Hansard*. The hon. member said:

> I am suggesting that by dealing with dominion-provincial conferences the executive here, the cabinet, is not fulfilling its responsibilities to the House of Commons itself. This is a place where government programs should first be put forward, not at conferences.

What is the Conservative policy on this? In complete compliance with the wishes of the hon. member for Winnipeg South Centre the government have brought forward their program in the form of this bill, but then we are told by the Leader of the Opposition that it should not be done by the cabinet, that the government should call a dominion-provincial conference.

We must realize that the railroads of Canada initially came into being because the taxpayers of Canada granted them rights. The hon. member for Moose Jaw-Lake Centre does not like this bill because it may cost the taxpayers some money. Many years ago the people of Canada gave the C.P.R. a subsidy of billions of dollars. They were given the right to everything contained in a strip 20 miles wide on each side of the railroad across the Dominion of Canada. On Vancouver island the E. and N., which they purchased, have been given the right to everything on the ground, above the ground and under the ground. The taxpayers of Canada have paid plenty.

The Canadian National Railways were taken over on what I consider was a wrong basis. We cannot do anything about that now, but instead of taking over the roads concerned on a bankrupt basis a capitalist Conservative government of Canada took them over in order to save private enterprise, and the taxpayers of Canada have been paying for it ever since.

Now we have this bill before us. I think the consolidation feature is right, because it brings into one act the operations of some 65 companies and 25 acts. This act, as I read it, is only asking that the Canadian National, owned by the people of Canada, shall now have the same rights as are being exercised by private railway companies in Canada. I cannot speak for all, but I do speak from my knowledge of the British Columbia Electric and the C.P.R. in their operations in British Columbia. Why cannot the C.N.R. have the same rights?

As I read this act the major thing for which they are asking is what the Conservatives and the socreds have always asked, that government operations shall be on an efficient and businesslike basis. If the Canadian National Railways find that it is inefficient and unprofitable to operate a line they ask for the right—which they have not had before, except as a subsidiary company—to be allowed to replace that passenger and freight transportation with passenger bus and truck lines so as to give service to the people who have been served by the railway itself.

An hon. Member: As a monopoly.

Mr. Winch: That is not what the bill states, and you find it in a certain section. I do not believe the cabinet minister would stand up in this house and deliberately give a lie to the House of Commons. The minister stood in

his place only yesterday on the motion for second reading and explained the situation with respect to an application before the board of transport commissioners. He said the C.N.R. were in a difficult position because they wanted to be able to say that towns and municipalities would be served in some other way.

I cannot understand any supporters of free enterprise demanding by their opposition to this bill that the C.N.R. should operate on an inefficient basis. We have a request that they should be allowed to operate on an efficient basis. I also know something about dominion-provincial relations and, unless I am wrong, if it comes to a straight provincial operation on truck lines and passenger lines, they do come under provincial jurisdiction.

Mr. Fulton: Not if this bill carries in its present form.

Mr. Winch: My hon. friend says no. If that is the case, then I should like to know why two railways that are operating motor passenger and truck lines in British Columbia go before the public utilities commission of British Columbia.

Mr. Fulton: Because they were not under this act. That is the whole point. This act will exempt the C.N.R. from that.

Mr. Winch: If my hon. friend from Kamloops is correct then I would ask my hon. friend the Minister of Transport to make it clear by an amendment that they do come under that jurisdiction. But I have read this act and I still believe they do. I do not believe that, in a matter of this nature, we can override strictly intraprovincial operations.

Mr. Gillis: The bill has nothing to do with it.

Mr. Sinclair: What you need is advice from a good lawyer.

Mr. Winch: Sir, I have tried to present my views on this. I do not say that I agree completely with the entire consolidation and all the clauses dealing with the five changes in the provisions, but I do say this, and I admit it is a complete repetition. I can in no wise understand any member of this House of Commons who objects to any consolidation of acts so you have all the powers in one act.

An hon. Member: Nobody objects to that.

Mr. Winch: We all heard the hon. member for York West, and the fact that they oppose this going through at this time demonstrates that. They did not object—

Mr. Hamilton (York West): On a question of privilege, Mr. Speaker, I did not make any remark of that type at all.

Mr. Speaker: This is not a question of privilege. If the hon. member who has the floor has misinterpreted what the hon. member has said, he may ask the hon. member to make a correction now or he may wait, if the hon. member who has the floor does not acquiesce, until the hon. member has concluded and then he may explain.

Mr. Winch: Mr. Speaker, if I have misinterpreted the statement of my hon. friend I shall retract right now, because I want the facts. The opposition to this bill means that they do not desire consolidation. It also means that they do not believe in competition. They are afraid of it.

An hon. Member: That is nonsense.

Mr. Winch: It also means, because of the amendment now before us, that they are not prepared, even those who believe in private enterprise and competition, to support it. I am going to name them again; the Conservatives, the socreds and the triumvirate of independents are not prepared to face competition. They are not prepared, because of the existing powers of private companies, to grant the same right to a company owned by the people of the Dominion of Canada through the government of Canada.

I am going to oppose the amendment which is now before the house. To me it is a back door escape for people who are not prepared to make a decision. It is a method, legal in parliament, of not making a decision which I think should be made at this session. Those are my opinions. Although there are two or three points on which there is some disagreement with regard to this bill, they can be discussed in committee; but the principle of the bill is entitled to receive the unanimous support of the members of this house.

Mr. Solon E. Low (Peace River): Mr. Speaker, if I could have two or three minutes in which to present my views with respect to the amendment moved by the hon. member for Moose Jaw-Lake Centre, I should appreciate it very much.

I wish to say at the outset that the hon. member who has just finished was speaking through his honourable hat, if he owns such a hat. The fact is that he misinterpreted entirely the reason we object to this bill. I want him to know right off that we are not afraid of competition. We want our Canadian National Railways to be put into the best possible competitive position. We in this party have demonstrated through the things we have done provincially that, in all cases where a crown corporation and a privately owned corporation are thrown into competitive fields,

we have tried sincerely to lay down such regulations that they will have equality as to their competitive position. That is the stand we take now.

Here is the way in which we look at this bill that is now before us, Mr. Speaker. I understand that the Canadian Pacific Railway Company operates trucks on the highways of the provinces through a subsidiary company which is in every respect subject to provincial laws and provincial regulation.

Mr. Winch: And owned by the C.P.R.

Mr. Low: Surely. That is all right. If my advice is correct, and I believe it is, the Canadian National Railways want to do the same thing, and I must point out that they can do the same thing. If they want to do it and really carry out that desire, nobody is going to take any exception to it, except for this. If they attempt to operate truck lines under a subsidiary company or companies and begin to cut rates below cost in order to ruin and destroy their competitive trucking companies, then I would object and I would expect every redblooded Canadian to object.

But, Mr. Speaker, it appears that the Canadian National Railways want to go beyond the operation of trucks and truck lines under subsidiary companies owned by themselves. They want to operate their trucking companies under their own name, and they also want to come under the Canadian National Railways Act. At no time has the Canadian Pacific Railway asked this parliament to give them trucking rights by federal statute. That matter intrudes into the provincial field of authority. But the Canadian National Railways have asked this parliament to pass section 27 of the bill now before us, which section is clearly an invasion of provincial rights. Of course my hon. friends of the C.C.F. agree with it because they are centralizers.

Mr. Coldwell: Oh, no.

Mr. Low: We have had many examples of their support of those things that will centralize authority in the federal government, and here is another one. Bill No. 3 was another. I could go on and name others if I had the time to do so. The bill we are discussing does not merely seek to put the Canadian National Railways on an even basis with the Canadian Pacific Railway so far as competition is concerned. If it did that, Mr. Speaker, I assure you that I would support it, because I stand for equality of competitive rights. We want the Canadian National Railways to have every right and power that is necessary for them to have in order to operate efficiently. However, we object to having clauses like clause 27 slipped into what is supposed to be a consolidation of the various acts that govern the Canadian National Railways.

It is for those two particular reasons—first, that such a provision has no business here in a consolidation of acts and, second, that it invades provincial rights—that I certainly am going to support the motion to give the bill the six months' hoist.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I think the members who have spoken for this group have expressed our position quite clearly. However, the hon. member for Peace River has raised a straw man here that I think is not too important. The Canadian National Railways are at present operating a bus service from Kamsack across part of my constituency to Flin Flon. This service has been introduced in order to meet the competition of the bus companies. This bus line runs across a territory that is serviced by the Saskatchewan government bus corporation. As far as I know the Saskatchewan government has not objected to the operation of this bus line. I am convinced that the Canadian National Railways had to clear it with the Saskatchewan government before this service was inaugurated.

Mr. Low: Because they had not this authority to do it without doing so.

Mr. Nicholson: Even with this section written into the law I think it would still be necessary for the Canadian National Railways—

Mr. Low: Not at all.

Mr. Nicholson: —to get the permission of the respective provincial governments that set up standards with regard to the size of vehicles and the speed at which they may travel on the highways. As I see it, it will not give the Canadian National Railways authority to disregard the laws of the various provinces in the country.

Mr. Trainor: Why not put it in the act?

Mr. Nicholson: I think it is taken for granted that the British North America Act gives to the provinces certain jurisdictions.

Mr. Trainor: What is the objection to putting it in the act?

Mr. Speaker: Order.

Mr. Nicholson: Since apparently in Saskatchewan at least it has been possible to work out arrangements between the Canadian National Railways and the provincial government, which has a bus service over part of this area, I do not see that there

will be any real problem in connection with carrying out all the provisions of this act.

Mr. Johnston (Bow River): May I ask the hon. member a question? How would he interpret section 18 of the proposed bill?

Mr. Speaker: Perhaps the hon. member could wait until we reach the committee stage.

Is the house ready for the question?

Some hon. Members: Question.

Hon. George A. Drew (Leader of the Opposition): Before the question is put, Mr. Speaker, I wish to deal with the motion now before the house, namely that this bill be not now read a second time but that it be read this day six months hence. I wish to indicate our position in regard to that motion. At the same time I also wish to deal with a series of misstatements which have been made this afternoon, and which indicate the confusion that exists with regard to this measure.

It seems perhaps appropriate that the socialists should be the allies of the Liberals on this occasion. I can think of no more fitting occasion for that alliance to be openly declared.

Mr. Sinclair: And the socreds with the Tories.

Mr. Drew: Oh, no. The hon. minister is a little bit ahead of himself, as often happens. As far as that is concerned, we stated our own position.

In this particular case I could not help observing the crocodile tears being shed by the hon. member who spoke a few minutes ago, when he felt that it was almost a crime for anyone to question the word of the minister with regard to any aspect of the legislation now before us. The fact is that some of us still reserve the right to discuss these things, and propose to do so. But never in this house, in the comparatively few years I have been here, have I heard so much nonsense wrapped up in so few words. I have never heard such a complete misstatement of facts as that by the hon. member for Vancouver East.

Mr. Winch: I quoted from *Hansard,* sir.

Mr. Drew: Yes; and in quoting from *Hansard* the hon. member showed his capacity to misunderstand a sentence which he had barely finished quoting. He said those who were opposed to this measure are opposed to consolidation. That is not only nonsense, it is completely untrue. We made it clear that we were dealing with a particular aspect of this bill. He then went on to say that we objected to competition. Oh, my; oh, my! What new apostles of competition are now emerging in this house! Here we have the hon. member for Vancouver South now rising as the exponent of free enterprise.

An hon. Member: The hon. member for Vancouver East.

Mr. Drew: Yes; the hon. member for Vancouver East (Mr. Winch). Let us keep them clear. I would not want for one moment to confuse the two. I am referring to the hon. member for Vancouver East. The suggestion that we are opposing competition merely indicates that he got to his feet without knowing anything about the subject he was discussing. He went to some length and in a very plaintive tone repeated several times that we are objecting to the Canadian National Railways being given the same powers the Canadian Pacific Railway already has.

Let me read exactly what powers the Canadian Pacific Railway has with regard to road transport. These powers are found in the letters patent issued to Canadian Pacific Transport Company Limited under the Companies Act, and I think it is well to put them on record so those who read *Hansard*—and fortunately there are many—will understand what nonsense the socialists talk when they try to enter a debate of this kind straddling the fence on free enterprise and efficiency. Here are the actual powers conferred on Canadian Pacific Transport Company Limited by the incorporating act under which they operate:

(a) 1. To carry on the business of transportation of passengers and goods of all kinds by land and water.

2. To purchase, construct, hire, operate, maintain, repair, let, sell and dispose of conveyances, vehicles and vessels of all kinds drawn or propelled by any power whatever, including wagons, carts, trucks, carriages, automobiles, omnibuses, boats and aeroplanes.

3. To carry on the business of forwarders, transportation agents, warehousemen and wharfingers and to construct, purchase, lease, hire, use and dispose of wharves, buildings, plant and appliances requisite for such purposes;

(b) To purchase, rent, take, hold and enjoy lands, wharves, docks, warehouses, offices, elevators and other buildings in Canada or elsewhere to be used for the purposes of the Canadian Pacific Railway Company or its steamship connections;

(c) To enter into arrangements with a railway company or steamships company or other transportation company, and to obtain from such company any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.

There are the powers conferred upon the Canadian Pacific Transport Company Limited. The hon. member for Vancouver East says, "But why not let Canadian National

Railways have the same powers?" He suggests they are just being given the same powers in section 27 of the bill now before us. If there was anything in that argument of course it might hold water, but it does not. Let us see what powers the Canadian National Railways have, quite irrespective of section 27 of the bill. These are the powers of Canadian National Transportation Limited under letters patent issued pursuant to the Companies Act, and are the powers under which they are carrying on business. Listen to the similarity to the Canadian Pacific powers. They are:

(a) To carry on the business of transportation, for hire, of persons, goods, wares, merchandise, mails, property and things of every description, on land, water, and by air, or combinations thereof, by any means whatsoever, except by rail and except as a railway company;

(b) To manufacture, buy, sell, hire, lease, import, export, operate and deal in vehicles, vessels, aircraft equipment, apparatus, engines, machines, mechanical contrivances or devices of every kind and description, using any form of motive power, which may be required, used or capable of being used in connection with any such business, and all machinery, accessories, parts, appliances, tools, supplies, materials and things required, used or capable of being used in connection therewith;

(c) To interchange traffic with any railway company by container system or any method deemed desirable, and to furnish all necessary cars, trucks, equipment and apparatus, also to make agreements for the conduct and regulation of such traffic;

(d) For the better carrying on of the business of the company to carry on the business of warehousemen, warfingers and storers of goods, wares and merchandise of every kind and description.

What could be covered in the way of transportation, Mr. Speaker, that is not covered by that? This is the company that carries on all business other than rail service. This company has full power to buy and sell motor vehicles, aircraft, ships and everything that can be used for transportation outside of railway vehicles themselves, which are covered by the general Railway Act. The situation is that Canadian National Transportation Limited, the subsidiary dealing with these types of transportation, has just as wide powers as the subsidiary of the Canadian Pacific Railway Company engaged in the same field outside of rail activities. Therefore, Mr. Speaker, far from Canadian National Railways not having the powers the Canadian Pacific has, it has precisely the same powers under a federal act, and can carry on under that authority without having section 27 of this bill.

The thing every hon. member should ask—in this case the hon. member for Vancouver East, as well as other members—is why we are asked to pass section 27. Either section 27 means nothing or it means that some new powers are being conferred over and above these wide powers I have just read in the act under which Canadian National Railways can buy and sell automobiles, aircraft and ships. It means nothing, or we are not being dealt with in complete frankness by the minister on this occasion. It is one or the other. If this means something more than the right to operate under the wide powers conferred by the federal act to which I have referred, then we are awaiting an explanation from the minister that we should have had long ago.

We should not take section 27 as necessary. Section 27 is not needed, as the hon. member for Vancouver East said, to give the Canadian National Transportation Limited the same powers as the corresponding company of the Canadian Pacific Railway Company. It is not needed to give any of the other companies powers they already have, conferred by federal statute.

The Canadian Pacific Company was incorporated in 1872. There have been well over 100 amendments to that act, but they have no such powers today. Why is this power now being conferred upon Canadian National Railways, when it has all the powers to do all the things covered by the descriptive terms I have read to the house? Why does it need this section, unless it is to by-pass the very act that was introduced in the house last year to meet the representations of the provincial governments at the time the government asked the provincial governments to take over the control, supervision and licensing of extraprovincial as well as intraprovincial transport?

When the hon. member for Vancouver South talks about our seeking to deny competition, he is talking plain, unadulterated rot. I should say the hon. member for Vancouver East. I shall correct that immediately before I cause the hon. member for Vancouver South to rise to his feet, because I would not suggest that the hon. member for Vancouver South would make any such completely factious argument as that which we heard this afternoon. I may disagree with him fairly extensively as it is, but even with that reservation I repeat that he certainly would not say some of the things that have been said this afternoon, even though the socialists are now allied with the government in this rather mysterious demand for special powers for the Canadian National Railways, which have not yet been explained and which need explanation in view of the extremely wide powers they already have.

No, Mr. Speaker; unless this is intended to override provincial authority, let the minister stand up and say that the draftsmanship was not satisfactory and that they

will remove section 27. I pointed out yesterday that this measure purports to be a consolidation. Let us proceed with the consolidation and leave out of it something that has nothing to do with consolidation of the legislation. This is a new section, an unnecessary section, unless there is some hidden meaning.

Perhaps some question may be raised as to why we should even suggest the possibility that there is a hidden meaning. The Canadian National Railways, as a railway organization, is made up of many thousands of people. I am convinced that the rank and file of workers in Canadian National Railways want their company to operate on a basis that will stand the ordinary tests. They want no special favours. I am satisfied that those men also want the people of this country to be told, with complete frankness, exactly what is being done. We have not been dealt with frankly in a number of cases. Just let me illustrate a few.

Hon. members will recall when the manager of the Fort Garry hotel in Winnipeg was removed because he did not roll out the red carpet quickly enough to suit the present Minister of Citizenship and Immigration (Mr. Pickersgill), who at that time did not occupy quite such an important position—that is, in the open, at any rate.

Mr. Rowe: What would he want now?

Mr. Drew: At that time we were not dealt with frankly. There is no question about the fact that a very gallant veteran of the last war, a man who had established a fine reputation as manager of one of the largest hotels in this country, was removed simply for the petty reason that it was thought he had not shown due deference to those who were associated with this government and who were visiting that hotel at a very busy time, when many were travelling in this country.

Then there was another occasion when we were not dealt with in complete frankness. We have prided ourselves for a long time because we operate hotels like the Fort Garry, the Chateau Laurier, the Chateau Frontenac, the Vancouver, the Bessborough in Saskatoon, the Macdonald and all the other fine railway hotels right across this country. We have claimed that we had service as good as, if not a little better than, was to be found anywhere. Then the Canadian National Railways, with public funds, proceeded with plans to build a huge hotel in Montreal, where all these trained hotel experts should have been given the opportunity to show their years of experience in management, and what was done? There was a surreptitious deal made with a high pressure United States hotel organization to run this hotel, and we cannot even find out the details of this transaction. No, Mr. Speaker, we have not been dealt with frankly.

We were not dealt with frankly then. There was no excuse for that, and there was no excuse for the removal of Mr. Pitt from the Fort Garry hotel. We did not get the details there. We did not get the whole truth. There was no excuse for what was done in Montreal in bringing this outside company to discredit the experience of Canadians, many of whom are so good that they are the managers of big hotels in the United States. Then we come to this particular case, and we have a section placed before us that is quite unnecessary in the face of the powers possessed by Canadian National Transportation Limited, unless there is a hidden reason. That is exactly why this matter should not be proceeded with until the honourable obligation of this government to deal fairly with the provincial governments is carried out.

The hon. member for Vancouver East ridiculed the suggestion that there be a conference. Perhaps his group were not allied with the Liberals at that time, but a year ago they did not ridicule the suggestion that there be a conference, when the privy council decided that the federal government had full authority over extra-provincial highway transportation.

Mr. Winch: On a point of order, Mr. Speaker, I did not ridicule the idea of a conference. I asked for an explanation of the two points of view of the Conservative party.

Mr. Speaker: This is not a point of order. The hon. member can make his position clear after the Leader of the Opposition has concluded his speech.

Mr. Drew: In so far as that position is concerned, it will be recalled that the federal government had obtained the authority it wanted over extra-provincial highway transportation. At that time the government did not find it so difficult to bring the provinces together for a conference. After that decision had been rendered in April, the federal government asked the provinces to send their representatives to consider this subject in detail. They met here and this government proposed that in spite of the privy council decision, the provinces should take the full authority and the licensing control of extra-provincial highway transport. The provinces agreed, and to implement that undertaking a bill was presented to this house in June. It was passed and is on the statute books today. It is on the statute books at the request of this government.

If there was any reason whatever last year to call the provinces together to discuss that

matter, there is far more reason to call them together now, when this government proposes to introduce a section which will have the effect of giving powers which unquestionably would conflict with those powers that were conferred upon the provincial governments at the request of this federal government.

Now, Mr. Speaker, by all means let us have a consolidation of the acts. If this is really just a consolidation with which we are dealing, let us limit it to a consolidation. There is one other section with which I am going to deal, not extensively but just to illustrate how extraneous matters have been brought into this bill. Section 22 creates an entirely new situation. At the moment the Canadian National Railways may—

Mr. Speaker: Order. The Leader of the Opposition will excuse me if I interrupt him again, but I have asked hon. members not to refer to the sections of the bill while discussing second reading. I am sure he can deal with this particular point without referring to the precise section.

Mr. Drew: Hon. members know there is a section in this bill which provides that the Canadian National Railways will have certain powers in regard to short branch line construction. It is provided that if the line does not exceed six miles in length it may be dealt with by obtaining the approval of the governor in council and filing a plan. The bill also includes a provision that, in any case, if parliament sets aside money for the construction thereof the railway may proceed to deal with it.

Now, that is a very different authority than that which is conferred upon the Canadian Pacific Railway. The Canadian Pacific may construct branches and extensions under authority granted by the board of transport commissioners. Under the new provision the Canadian National Railways is going to be allowed to do this by order in council. We know it is a loosening up process. You will recall the restriction that all contracts must be by tender, and provision that in certain cases, if the contract does not exceed $15,000, tenders need not be called. The same principle is being applied here.

The Canadian National are not going to be called upon to go to the board of transport commissioners for approval if the branch line does not exceed six miles in length; they may get permission by order in council. In fact, the railway can construct the line in any case if, tucked away in the estimates somewhere, there is an item dealing with that particular line, even though parliament may not have passed any bill dealing with that extension.

I have not heard any suggestion from any member of the Conservative party that the hands of the officials of the Canadian National Railways be tied in any way in operating on a basis of free competition with the Canadian Pacific Railway or with any other railway in this country. I would be the first to oppose that; I would be the first to oppose any restriction on the liberty of the Canadian National Railways to compete freely with the Canadian Pacific, and why should I not be? It was the Conservative party that brought the Canadian National Railways into existence. I know that during the years that followed, in one of those oversimplifications, the slogan was coined "Competition ever, amalgamation never."

We believe in competition; we believe in competition between government agencies and private agencies. We believe in fair competition. We believe that will be in the best interests of all the people of Canada, because in that way we can have some assurance of efficiency through the competitive methods that make for efficiency in ordinary business operations. But we do not think we should be asked to include in what is a consolidation measure these special sections that have nothing to do with the consolidation, but embody entirely new principles, and vicious principles; for we believe in real, equal competition between government agencies and private enterprise in this country engaged in the same field.

There the situation rests, Mr. Speaker. We cannot move an amendment to clauses at this time. I have entered this debate again to deal with the amendment moved by the hon. member for Moose Jaw-Lake Centre, and I have also taken this opportunity to deal with certain misstatements that have been made here so freely this afternoon.

Mr. Winch: Where do you stand on the amendment?

Mr. Drew: If you will just contain yourself for a moment I shall let you know. I intend to deal with it in my own time, not in yours.

We have stated, Mr. Speaker, that these sections should not be dealt with here. We have stated clearly why this government owes an obligation to consult the provincial governments. They know from their experience last year that this can be done quickly. They know it does not need to hold up the bill, unless there is substantial objection to it. If there is substantial objection to it by the provinces on the ground that it restricts the rights and obligations which this government asked the provinces to assume last year, then it is time we knew that. We should know it before we deal with these clauses.

I said yesterday that at this point I did not propose to move an amendment, because in committee the minister can withdraw these clauses. I hope he will do that unless he is prepared to get in touch with the provinces, who can certainly deal just as promptly with this now as they did last year after the privy council decision affecting this whole question.

There is no reason at all why this legislation cannot be dealt with during the course of the present session, and still have an appropriate expression of opinion from the provinces. To refuse to do this would only strengthen the apprehension that has already been expressed that the government is indirectly trying to change the effect of the legislation passed by this house last year.

I repeat, in view of the almost unbelievable misinterpretation of my remarks by the hon. member for Vancouver East, that we are in favour of consolidation. We want a speedy consolidation which will facilitate the handling of matters under this legislation, but we do not want any new powers conferred which were not discussed with the provinces last year, without those powers being fully disclosed to us. We do not want an evasion of the very responsibilities this government asked the provinces to assume, by any trickery or any lack of frankness in handling matters of this kind in this house.

Mr. Elmore Philpott (Vancouver South): The Leader of the Opposition referred to me by mistake several times during the course of his speech. I want to make it very clear that he was referring to the hon. member for Vancouver East (Mr. Winch), not to myself, not that I would have any objection to being associated with most of what my old friend the hon. member for Vancouver East said in his speech.

At different times in my life I have had the honour of standing with the Leader of the Opposition, and at times I have had the honour of standing with the hon. member for Vancouver East. For the sake of clarity it should be indicated on the record that the Leader of the Opposition referred to me only once when he said something about having a close look at clause 27. Well, I propose to take a close look at clause 27 when we pass this stage of the bill and deal with it clause by clause.

Mr. Drew: Mr. Speaker, on a question of privilege, and also so there shall be no uncertainty about it, I wish to make it abundantly clear that it was only by inadvertence that I referred to the hon. member for Vancouver South, because in the course of my remarks I was referring to the extraordinary statements made this afternoon by the hon. member for Vancouver East.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I just want to say a few words at this time, to make clear once again the position we take in regard to this bill. There certainly can be no question that this party does not object in any way to a consolidation act. We think that is long past due and should be done; but we do object to a great many things that are in the bill before us.

Certainly we have never on any occasion objected to free competition. We have emphasized on many occasions that we think the railways, the Canadian National Railways and the Canadian Pacific Railway, are entitled to compete with the trucking and other transport systems clear across this country. The only thing I have objected to on almost every occasion is the unfair competition that the railways are endeavouring to provide by legislation. It will not be competition; it will be an instrument to destroy their competitors.

We think it will be wrong from a national standpoint for the railways to have such powers over their competitors. They will not be competing with them; they will be strangling them so they will have a complete monopoly of all transportation in this country. That is the thing we object to. We have no objection to this bill in so far as it consolidates railway measures. We have objection to the exceptional powers that would be given to the railways, to the Canadian National Railways particularly, if this bill should go through in its present form.

It would not be necessary, as I indicated yesterday, for the railways to put into effect the agreed charges contracts they now have the legal right to enter into, and that is a very potent weapon in strangling the competition from trucks. Under this legislation they could go much further than that. They could violate all provincial legislation if this legislation is enacted in its present form.

Some hon. members said that when the railway took over some of the bus lines in Saskatchewan they went to the Saskatchewan government and obtained permission to do certain things, and that the railway had to comply with provincial legislation in that respect. Of course they did then, but this bill was not law at that time. If this bill goes through, under clause 27 and clause 18 the railways will not have to ask permission from the provinces. It is the greatest intrusion on provincial rights that I have seen in the 20 years I have been a member of

parliament. It is the concern of every hon. member to see that clause 27 is not passed. It should be deleted from the bill entirely. I gave the minister credit yesterday for having one slipped over on him. I hope he is not desirous of having such tremendous powers placed in the hands of the railroad. He has indicated that there are certain parts of the schedule that he wants to change. I think I indicated yesterday that there were some parts other than those contained in the schedule that should be removed. This would certainly apply to clause 27, which should be deleted entirely.

If the minister would get up now and say he is prepared to do that, I am sure a great deal of the opposition would be dropped. Not only should that section be deleted, but the other parts of the bill which refer to transport by motor vehicles should also be deleted.

We have an amendment before us. As I said a moment ago, we are in favour of the consolidation, which we think is overdue; but this is a package bill containing not only the consolidation but these other matters which have been slipped in. This practice has become common in the last few years; I do not say on the part of the minister, but it is done intentionally by those who draw up the bills in order that it can be said, as was said this afternoon by the hon. member for Vancouver East, that we are voting against this consolidation. Nothing could be further from the truth. What we are voting against is this unwarranted power being given the railway company to enable it to strangle its competitors, and this invasion of provincial rights.

It would appear that the hon. member for Vancouver East is in entire agreement with this, because he said he was going to support the bill. Then he found he was getting into deep water, as indicated by the questions put to him during the course of his speech, and he began to back-paddle a little. He said he was in favour of the bill except for one or two minor points. When asked what those were he never referred to them, and has not done so yet. I suppose we can take it for granted, since apparently he was speaking for the party, that the C.C.F. are in favour of the federal government overriding provincial legislation in a case such as this. Apparently they are in favour of the centralization of power.

They would not even put up with private enterprise. The hon. member for Vancouver East indicated that he does not support private enterprise at all, and there was no qualification in his statement. I suggest to some C.C.F. members that they be careful when making statements of that kind, because many of them are making their livelihood from private enterprise, and making a fairly good living at that.

I want to say that we are not opposed to this consolidation, as we believe that all these measures should be brought into one act. What we do oppose, and oppose strenuously, is this extraordinary power being given to the C.N.R. under clause 27. We think it should be deleted. We have no choice but to vote for the amendment because of the package principle which has been followed in connection with Bill No. 351.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, in dealing with the matter of public transportation I do not believe the people of Canada are too much concerned about the straw man of provincial rights which has been raised in this house. I endorse what was said yesterday by the hon. member for Cape Breton South (Mr. Gillis) when he contended that this problem of public transportation must be viewed as a whole, and that we must evolve a plan which will give the public transportation at as low a rate as possible. I think this provincial rights issue is simply a bogeyman that has been introduced.

I was a little surprised that the hon. member for Moose Jaw-Lake Centre should introduce this amendment with the argument which he put forth. If the Canadian National Railways are losing money each year I would imagine, in the light of his attitude in past years, that he would be the last one to oppose any move that would enable the Canadian National Railways to put itself in a position where it could avoid heavy deficits each year. I have every sympathy for the taxpayers of Canada and would like to help them all I can, and I therefore think the Canadian National Railways should be given every assistance in reducing these deficits.

I submit that one of the reasons for the annual deficits of the Canadian National Railways can be traced directly to the Conservative party. I notice that they take every credit for having initiated the Canadian National railway system, but when that was done they did not consider the welfare of the people of Canada. When this system was set up first consideration was given to the welfare of the bondholders of what should have become bankrupt railroads. There have been no more able spokesmen for the C.P.R. in this house than the members of the Conservative party. I notice that the new Conservatives, the socreds, are most anxious to climb on the bandwagon and take up cudgels on behalf of the Canadian Pacific Railway Company. One would almost

imagine that the Canadian Pacific was going to offer a full slate of candidates of its own at the next federal election.

To speak of free competition in the matter of public transportation is about as unrealistic as to advocate free competition in the distribution of public services such as hydro-electric power. The Canadian National Railways belongs to the people of Canada. Accusations are being made in this house by independents, the Social Credit and the Conservative parties, in connection with certain rights being granted to the Canadian National Railways which they contend would not be good for the people of Canada.

We must remember that the Canadian National Railways must appear annually before the members of the House of Commons. If there is misuse of the powers that have been granted I shall be ready, along with other members of parliament, to attack the minister and the Canadian National Railways for such misuse of power. I say again that if we are honestly concerned over the welfare of the taxpayers of Canada we will do everything possible to enable this railway system to so operate that it can provide transportation for people and goods at the lowest possible cost, and perhaps be able to rid the taxpayers of this annual deficit. We shall examine their operations once a year in democratic fashion, as we have done in years gone by.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I rise to make one correction. It seems to me there should be some relation to facts when we are discussing these matters. The last speaker pointed out that when the Canadian National Railways was put together it was a matter of assembling various lines, and suggested that in doing this the government of the time, which was a Conservative government, overlooked the interests of the shareholders. The real question was not about shareholders but whether the creditors could be paid.

We must remember that since that time the government has forgiven hundreds of millions of dollars of debt due to it. The shareholders so far have been out of the picture, and we really should not bring them in as if in some way they had been badly treated. They have disappeared from the picture, except perhaps in one or two small lines where the shareholders may have got something. In talking about these things we should pay proper regard to the basic factors.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I was sorry that in spite of the sound and fury in which the Leader of the Opposition indulged, he did not make clear to us how he and his colleagues are going to vote on the amendment which is now—

Mr. Drew: So that I may remove any concern from the hon. member's mind, I intended that this should go before the committee, and I expressed my hope that the minister would remove these sections. It is certainly my intention to vote against the amendment now before the house.

Mr. Knowles: That is good. We now know how the Leader of the Opposition is going to vote. I think he should reconsider the charge made a while ago that there was an alliance between this group and the Liberals across the way. Now he says that when the vote is taken he will be voting along with us. These charges are risky, because what we vote on in the House of Commons is not a matter of alliance among parties but rather we vote on the issues that come before us.

I appreciate the dilemma in which our friends at the south end of the chamber find themselves with regard to a package bill. The hon. member for Bow River indicates that there are things in this bill that he wants; but he must vote for the amendment, which is the six months' hoist, because of his opposition to one or two features of the bill which he does not like. We are all in that position at times. I have been in the position where we have been presented with a package proposition and I had to vote for something I did not like or vote against something I did like, because of the overriding considerations of the measure before us.

On that basis, Mr. Speaker, it seems to us in this group that on balance this legislation should in principle be supported and sent to the committee. In the main it is a consolidation of the many statutes with regard to the Canadian National Railways, and it will make possible a more efficient and more effective administration of that system on behalf of the people of Canada.

I must confess, even if there are one or two minor points about which there is some question, that I am surprised that there should be any number of members of this house who want to do what they can to prevent this bill from being supported in principle, which is the effect of the six months' hoist. I shall not mind that being quoted against us on occasions when we move the six months' hoist to legislation with which we disagree.

Like the Leader of the Opposition, I feel a number of things have been done by the management of the Canadian National Railways which I do not like. I did not like the

Pitt affair in Winnipeg, not at all. I still do not like the way in which the Canadian National Railways board of directors sold two Canadian National hotels and two summer resorts. I do not like what has been done with respect to the Queen Elizabeth hotel in Montreal, in that it is being let out for management purposes to the Hilton chain in the United States. I certainly do not like the way employees have been laid off by the Canadian National Railways during the past several months. I had something to say about that yesterday when I read a letter to the House of Commons. Likewise I am bitterly disappointed that it has taken so long for the Canadian National Railways to reconsider the position of their pensioners, particularly those in the lower brackets and, if I may go one step further, I say particularly those whose only pension is $25 a month.

I hope some of these matters will be given more serious consideration than has yet been the case. But, even after one has registered all the complaints he has against the management of the Canadian National Railways, it is still a fact that we want the Canadian National Railways to have a decent and proper charter, which is the purpose of this legislation. For that reason it seems to us that this bill should receive approval by being given second reading, and if one takes that position one must oppose the six months' hoist which is now before the house.

So far as the remarks of the Leader of the Opposition and the hon. member for Bow River are concerned, far be it from me to defend the Minister of Transport, as too many things he does call for attack as far as I am concerned; but he made a statement yesterday which cut the ground from under a good deal of what has been said by the Leader of the Opposition and by the hon. member for Bow River. He admitted that some change might have to be made so it would be clear that a certain section of the bill did not make all the companies mentioned in a certain schedule works for the general advantage of Canada. He specifically referred to Canadian National Transportation Limited.

The Leader of the Opposition today listed the powers Canadian National Transportation now has, and they seem to be even greater than those that are suggested in the relevant part of the bill. It strikes me that all that is sought is a consolidation of the powers and rights that now obtain so far as the Canadian National Railways are concerned. If our friends to the right and our friends to the left and those to the far left—geographically, not politically, of course—favour consolidation, they should support the bill rather than the six months' hoist.

[Mr. Knowles.]

Mr. Speaker: Is the house ready for the question?

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in so far as this bill consists of a consolidation it is admirable in purpose and necessary for the railway company, but it seems very clear that under the guise of a consolidation of statutes the government intends and intended to bring into effect provisions which in my opinion parliament ought not to accept. The Leader of the Opposition has dealt with those provisions in detail, and I do not intend to cover the ground covered by him. Certainly the arguments he advanced have not been met, and it seems clear to me that one or two sections in this bill are deliberately designed to take the government out of the quagmire in which it placed itself last year when it tried to play both ends against the middle.

First it went to the privy council, it went to the courts, in order to uphold the right of the federal government to control motor transportation. Then, having succeeded, it came to the conclusion that it could not discharge its responsibilities and had an act passed by parliament to remove it from the difficulties in which it found itself. Now again, under the subterfuge of consolidation, it is endeavouring to restore to itself the powers which the provinces had the right to expect under the agreement made at the conference and also under the statute passed at the last session of parliament.

Indeed, in looking over the act I find that seven of the 47 clauses are new and in no way consolidations. In addition to that, there are two major subsections that are completely new. As one listened to the arguments here one might also conclude that consolidation of the statutes in the manner requested by the government is going to solve the difficulties of the Canadian National Railways.

Mr. Marler: Who said that?

Mr. Diefenbaker: Nobody said it, but as I listened to the argument it is apparently one of the aims to lead the Canadian people to believe that the difficulties of the Canadian National Railways will be solved in this manner. There was a large deficit last year; there was a decline in earnings of $55,985,000. Freight revenues, amounting to 80 per cent of the total amount of the revenues, were materially reduced in consequence of conditions generally prevalent in the country. Freight traffic was down 8 per cent in tonnage and 10 per cent in ton-miles. Passenger traffic was down 1 per cent. Express shipments were down 3 per cent. Communication revenues were up 7 per cent. The number of hotel guests was down about 3 per cent. Those

figures indicate the difficulties of the Canadian National Railways at this time.

However, I believe that a major consideration today in changing this condition would be the encouragement and improvement of the morale of the 100,000 Canadians, both men and women, who are employees of the railway company. The matter of the basic pension for those who have retired is one that has caused proper resentment on the part of railway employees. To learn what the situation is, all one needs to do is to go across this country and talk to the employees who are all desirous of making their contribution in bringing about improved conditions. They contend—and I think rightly—that too many high positions in the Canadian National Railways are now being filled by the promotion of men who are not railway men. That is a subject that one hears discussed on every hand. It is a subject that deserves attention and it is a contention that deserves to be answered. Try as we will to obtain answers to questions, we find that the Canadian National Railways is one institution as to which, when questions are asked in parliament, delay rather than expedition in answering seems to be the general rule.

The second thing the employees complain about is that nothing has been done to remove from their hearts and souls the overhanging danger of compulsory arbitration as it was enforced by the will of this government in 1950. As you will recall, Mr. Speaker, an act was passed by parliament respecting the railway strike then in progress. The expression "compulsory arbitration" is as inconsistent as is "coercive agreement" and expressions of that kind. At that time I made this statement, and it applies as particularly to today as it did then. I refer to *Hansard* of August 30, 1950 where, as reported at page 73, when I spoke on the Maintenance of Railway Operation Act, I said this:

> . . . in spite of what the Prime Minister said last evening, this section—
>
> That was section 5.
>
> —represents the most direct move ever made in any country to set up provisions for an arbitrator in a labour dispute with absolute power to determine. This is a terrific power to place in the hands of one man. It is a power unequalled in its amplitude in any other country having the democratic concept of government. There is no one in this parliament who at any time did not wish to give support to the assurance in our country of continued railway transportation. That was and is our attitude. No one had objection to paragraphs 1 and 2, and to the noble preamble. What is being done in this section of the bill is what we take our objection to, namely the granting of uncontrolled and untrammelled power to one person to determine decisions in trade union matters and to change the provisions for settlement of labour disputes that have existed for over seventy years.

That power that was used by the force of the majority supporting this government in 1950 at the second session hangs over the railway employees today. The one thing they resent above all others is the fact that they are placed in a position different from that of any other labour men in this country in that they are subject to coercive action and to being denied the rights of collective bargaining which are available to other employees.

Then reference has been made to these policies that no one can understand, such as the sale of the hotels. That is something that deserves to be explained. Mr. Donald Gordon has put out a book entitled "Our Railroad"—

Mr. Speaker: Order. May I interrupt the hon. member at this point. It seems to me that he is getting a bit away from the subject matter to which our attention should be directed. Some latitude has been given. The hon. member will recall that, when the Leader of the Opposition (Mr. Drew) spoke today, he made the statement that with respect to the Canadian National Railways this house had not been treated with frankness, and he presented certain illustrations. Among others he mentioned the Pitt incident, the contract to the Hilton chain and many others.

Carrying on in that vein the hon. member is apparently not making these points matters of illustration but rather a substantial part of his speech. He has dealt with the matter of questions not being answered by the C.N.R. management through the minister and he has complained about delay. He has dealt with the action taken by this government to help settle a strike in 1950. Now he is going to go into the subject of the contract with the Hilton chain with respect to the hotel in Montreal.

If the hon. member wishes to insist on treating these points in this fashion and if he puts up the argument that he is not repeating any of the arguments used by others in debate, and that what he is now saying is completely different or completely new, it will be difficult, of course, for me to invoke standing order 40, subsection 2. I will ask for the co-operation of the hon. member because apparently he has all his notes before him and is prepared to present his views on the subject. I have been listening carefully not only to him but to all those who have spoken since the beginning of this debate today. I have also had the privilege of listening to several hon. members who spoke yesterday on the main motion and again today on the amendment. I fear that at this moment the hon. member is taking us into the area of repetition. I should like him to co-operate with the chair and try to avoid repetition.

Mr. Diefenbaker: Mr. Speaker, this afternoon and yesterday several of the matters that I have dealt with were referred to, and they were referred to without objection from Your Honour. One speaks of co-operation, and I am all for co-operation, sir—

Mr. Speaker: May I interrupt the hon. member at this time because he has just said that several points on which he has been touching were dealt with yesterday. That is precisely my point. Standing order 40, subsection 2, reads as follows:

> Mr. Speaker or the Chairman, after having called the attention of the house, or of the committee, to the conduct of a member who persists in irrelevance and repetition . . .

The language of that section was simplified by the rules committee in 1927. As it read previously, it stated that tedious repetition must be avoided either in respect of one's own arguments or in respect of arguments used by others in the same debate. (See *Journals*, page 243, Tuesday, 15th March, 1927). That is my point. If the hon. member tells me today that I should allow him to repeat some of the points that I allowed to be referred to yesterday, I am justified in the position that I am now taking by virtue of standing order 40, subsection 2. I am asking the hon. member to touch on other subjects and not to repeat arguments used by others. We have heard about the Hilton contract from the Leader of the Opposition and from the hon. member for Winnipeg North Centre (Mr. Knowles). We have heard about section 27 invading provincial rights from the hon. member for Peace River, the hon. member for Bow River, the hon. member for Vancouver East and the Leader of the Opposition. I think that I, who have listened to all these speeches, am capable of judging what repetition means in this case because I have heard the same arguments over and over. I am merely asking the hon. member for Prince Albert not to repeat arguments used by others or his own arguments.

Mr. Diefenbaker: With the greatest respect, I cannot understand what Your Honour has in mind. Unless you have a prepared speech, you follow what has been said in the course of a debate, and you take the arguments and either agree with them or reject them. What I am trying to place before the chamber is that this consolidation is a mirage if it is to be considered as settling any of the difficulties of Canadian National Railways. This consolidation is a meaningless piece of work unless these problems I have spoken of are to be met by parliament. Surely the fact that somebody else may have mentioned one or the other does not deny me the right to refer to these arguments in support of the contention being advanced that the bill in its present form is merely a back door method on the part of the government of interfering with provincial rights which were to be respected under the agreement of June, 1954, as reinforced by a statute of this parliament.

As far as the present bill is concerned, and this is the point I am making, the problems facing the Canadian National Railways—the deficit, the aroused feelings, the lost morale on the part of these worthy employees—are not going to be solved in any way by a document such as this which holds out no hope of meeting the serious situation in which Canadian National Railways finds itself today. I mentioned hotels, and Your Honour says they should not be referred to. I have to be parliamentary, but no more inexcusable piece of work has ever been done by the railway company and its directors than the disposal of four Canadian National Railways hotels at a price far below what could have been secured if ordinary business principles had been applied.

Mr. Knowles: Why were they disposed of at all?

Mr. Diefenbaker: Why dispose of them at all, my hon. friend says. I repeat that, but apparently repetition of actual facts and desirable conclusions is looked upon with a certain amount of suspicion. I repeat what I have said. The bill in its present form is merely a means whereby the government, having agreed to measures that on the face of them gave every appearance of a sincere desire to preserve and protect provincial rights, is seeking by the back door method to bring in a section which, as it now stands, will permit Canadian National Railways to override provincial authority and give them a field of authority above that conferred upon the provinces last year by an act of this parliament passed in June of 1954.

Sir, what is needed today is not a consolidation of statutes, although that is helpful. What is needed is an attitude of mind upon the part of those in authority on the Canadian National Railways that will bring about a restoration of morale among the railway employees and give them that impetus and desire to assist they had at one time but which has been torn from them by the attitude of those in charge of Canadian National Railways within the last several years. As far as the consolidation is concerned, there will be no argument about it whatsoever, but I ask the minister to say when he replies why, under the guise of consolidation, he brings in by a back door method sections which designedly contravene everything declared as

an abiding principle one year ago and which will not have the effect of improving the administration of Canadian National Railways but will have the effect of undoing that which was done with such expressions of sanctity last year when a bill was brought before the house and ultimately translated into legislation.

The hon. member for Vancouver East (Mr. Winch) made the statement that we have a committee of parliament which will permit us to examine. That does not meet the situation at all. As far as the minister is concerned, let me say to him that it has been more difficult for parliament to get information expeditiously than it was in the past. Assurance has already been given that the bill will go before a standing committee of the house, but parliament has a right to ask on this occasion that there will be some realization on the part of Canadian National Railways and those in charge of its operations of what the little man on the railway says today. For some reason the encouragement he should be receiving is not being provided, and the opportunity to expand and develop the business is being denied him by methods which he believes to be detrimental to the company that he honours and that we honour. I am opposed to the six months' hoist and I say that so far as the sections having to do with consolidation are concerned they necessarily should be accepted. But after the bill has been considered by the committee and the minister has given further consideration to the sections that in our opinion are and will be detrimental to the operation of the railway an opportunity will arise on third reading to ascertain what is the will of the majority in the House of Commons.

Mr. Speaker: May I go over the point I raised a moment ago with the hon. member for Prince Albert because I want to make sure that not only he but other hon. members will not misunderstand me. When I rose the first time to ask the hon. member not to repeat some of the arguments that had been advanced, I was asking his co-operation at that moment. It was because of his later remark to the effect that I had allowed reference to some points to which I was denying him the right to allude that I felt justified in elaborating on the question of repetition.

I do not wish to encourage hon. members to repeat either their own arguments or those used by others, but may I say that if the rule is not enforced as regularly as perhaps it should be it is because, as hon. members will realize, it is one that is very difficult to administer. How can you tell if a member is repeating until you have heard him, and once you have heard him he has completed his repetition and therefore you cannot ask him to swallow his words. Therefore the only thing the Speaker can do is to ask hon. members for their co-operation, and that is what I was doing with respect to the hon. member for Prince Albert.

Whenever a debate lasts a certain length of time, it is almost inevitable that in the latter stage of the debate these repetitious arguments will occur. The words may not be exactly the same but the ideas are quite similar, and that is precisely why the rule exists. Once all arguments on a given subject have been presented, hon. members should decide the matter by the putting of the question. That is the spirit of our rule. One should not abuse freedom of speech by repeating one's own arguments or arguments used by others in a debate. I do not think one should extend the freedom of debate in this house by claiming the right to repeat over and over again arguments that have been used by others. The rules are to the effect that one must be free to debate and to present all the arguments that are pertinent to the subject, and then the matter should be brought to a decision by a vote. This is the spirit of our rules.

Is the house ready for the question?

The house divided on the amendment (Mr. Thatcher) which was negatived on the following division:

YEAS

Messrs:

Blackmore	Patterson
Gagnon	Poulin
Hahn	Quelch
Holowach	Thatcher
Johnston (Bow River)	Thomas
Leboe	Wylie
Low	Yuill—15.
McLeod	

NAYS

Messrs:

Aitken, Miss	Bryce
Anderson	Bryson
Applewhaite	Buchanan
Argue	Byrne
Ashbourne	Cameron (High Park)
Balcer	Cameron (Nanaimo)
Balcom	Campney
Barnett	Cannon
Batten	Caron
Bell	Carrick
Blanchette	Carter
Boisvert	Castleden
Boucher	Cauchon
Bourget	Charlton
Bourque	Churchill
Breton	Coldwell
Brisson	Crestohl
Brown (Brantford)	Croll
Brown (Essex West)	Dechene
Bruneau	Deschatelets

Deslieres	MacDougall
Dickey	MacEachen
Diefenbaker	MacKenzie
Drew	Macnaughton
Dumas	McBain
Dupuis	McCann
Ellis	McCubbin
Enfield	McCulloch (Pictou)
Fairclough, Mrs.	McCullough (Moose
Fairey	Mountain)
Fleming	McIvor
Fontaine	McMillan
Fraser (St. John's East)	McWilliam
Fulton	Mang
Gardiner	Marler
Gauthier (Lake St. John)	Martin
Gauthier (Nickel Belt)	Meunier
Gauthier (Portneuf)	Michaud
Gillis	Mitchell (London)
Gingras	Mitchell (Sudbury)
Gingues	Monette
Goode	Monteith
Gour (Russell)	Montgomery
Gourd (Chapleau)	Murphy (Lambton West)
Green	Murphy (Westmorland)
Gregg	Nesbitt
Habel	Nicholson
Hamilton (Notre Dame	Nickle
de Grace)	Nowlan
Hamilton (York West)	Pallett
Hanna	Pearkes
Harris	Pearson
Harrison	Philpott
Healy	Pickersgill
Hees	Pinard
Henderson	Pommer
Henry	Power (Quebec South)
Herridge	Prudham
Hollingworth	Purdy
Hosking	Ratelle
Houck	Regier
Howe (Port Arthur)	Reinke
Howe (Wellington-	Richard (Ottawa East)
Huron)	Richardson
Huffman	Robertson
Johnson (Kindersley)	Robichaud
Jones	Robinson (Bruce)
Jutras	Robinson (Simcoe East)
Kirk (Antigonish-	Ross
Guysborough)	Rowe
Kirk (Shelburne-	St. Laurent
Yarmouth-Clare)	Schneider
Knight	Shipley, Mrs.
Knowles	Sinclair
Lafontaine	Stewart (Winnipeg
Langlois (Berthier-	North)
Maskinonge-	Stick
Delanaudiere)	Thibault
Langlois (Gaspe)	Trainor
Lapointe	Tucker
Lavigne	Tustin
Leduc (Gatineau)	Valois
Leduc (Jacques Cartier-	Villeneuve
Lasalle)	Weaver
Leduc (Verdun)	Weir
Lefrançois	White (Hastings-
Legare	Frontenac)
Lennard	White (Waterloo South)
Lesage	Winch
Lusby	Winters
Macdonnell	Zaplitny—173.

Mr. Speaker: I declare the amendment lost. Shall the main motion carry?

Mr. Argue: Will you call it five o'clock, Mr. Speaker?

[Mr. Speaker.]

Mr. Speaker: The house will now consider private and public bills.

PRIVATE BILLS

TRANS-PRAIRIE PIPELINES, LTD.

The house resumed, from Friday, May 20, consideration of the motion of Mr. Weaver for the second reading of Bill No. 376, to authorize Trans-Prairie Pipelines, Ltd., to construct, own and operate an extra-provincial pipe line.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this is a somewhat different pipe line bill from the ones we have been accustomed to in recent years. According to the explanatory note:

> The purpose of this bill is to authorize Trans-Prairie Pipelines, Ltd., a company incorporated under the laws of the province of Manitoba, to construct, own and operate an extra-provincial pipe line or pipe lines.

I might say, Mr. Speaker, when one starts to speak on one of these private pipe line bills one misses the former member for Fraser Valley who always took an active part in these discussions.

This bill is entirely different in its structure from the pipe lines that we have been considering since the passage of the general Pipe Lines Act. I think the hon. member for Vancouver-Quadra (Mr. Green) pointed that out very clearly last Friday when he spoke on this bill. The bills that have come before us as private pipe line bills were in effect bills granting charters to incorporate companies. In those bills was a long list of provisions similar to the provisions contained in practically all of the private pipe line bills we have discussed since the introduction of the general Pipe Lines Act. We in this group view this bill with certain suspicions although things may turn out better than we expect. This bill simply authorizes a company chartered under the laws of Manitoba to enter into the pipe line business. There are no further details as to the area it intends to serve, who will be the directors, what will be the capital or as to the many other provisions which are spelled out in other pipe line bills we have discussed.

We are very interested in knowing why there should be this short form of bill. The other bills which came before this house were to some extent the result of lengthy debates in the house by members of all parties, particularly those on this side, who were anxious to protect Canadian interests in the development of natural resources and to see that Canadian requirements, particularly with

respect to the distribution of gas and oil, were met prior to the requirements of anyone outside the country.

The other companies were aware of the discussion that had taken place, they were aware of government policy with respect to the building of pipe lines for the distribution of gas and oil, and were willing to comply with the established procedure in order to have their bills come before this house in a form following the common practice. They were willing to come before the committee and state what they had in mind, what their intended developments would cover, and on several occasions when requested by members of the committee, particularly the hon. member for Vancouver-Quadra (Mr. Green), who has been most active in this type of debate, they agreed to amendments to their bills in order to meet specific objections by opposition members, and on some occasions by members on the government side.

We cannot understand the reason for this short-cut type of bill. We are afraid it may be the commencement of a breakdown of the practice which has been established during recent years in connection with private pipe line bills. We have only the bill in front of us on which to form an opinion, but in our view it can mean several things if adopted in its present form. It certainly would appear to provide for very little control over the development and building of pipe lines. Second, it could mean the breakdown in protection for the public which has been built up after considerable effort both inside and outside the house. Third, it could possibly destroy the opportunity for the parliament of Canada to satisfactorily develop a national policy with respect to the development and distribution of gas, oil and petroleum products.

For these reasons we in this group feel we shall have to oppose second reading. We feel the bill is unsound in principle, in form and structure. We feel we must do this unless the sponsor can assure the house that this company will be agreeable to amendments being introduced in the committee on railways, canals and telegraph lines which will meet the objections raised by the hon. member for Vancouver-Quadra and this group and thus place this bill on a par with other private pipe line bills that have come before this house. If the sponsor of the bill can assure the house that these objections will be met in full then I think this group can support the motion for second reading.

Mr. Weaver: I will be quite willing to agree to meet the objections raised by hon. members when the bill is in committee.

Mr. Winch: Are we going to hear from the hon. member?

Mr. Weaver: I can assure the house that the company is quite willing to agree to amendments in committee that will meet the objections raised by hon. members.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I have just one or two observations to make with respect to this bill. Today we discussed other pipe line bills, more particularly in the committee, and at that time we were given much more information than we have been given in connection with this bill. As this bill is so short it is quite possible that many factors may be involved which would be discussed in full in the committee. For that reason I do not feel that we can particularly support this bill until such time as it comes before the committee because we have too little knowledge of what the bill purports to provide in the way of benefits to those to be served by Trans-Prairie Pipelines, Ltd.

If I may be so bold, I would suggest that the government consider the necessity of having some uniformity in bills of this type. New oil and gas discoveries are being made from time to time and there is a direct need for information being given before we are asked to vote on a bill as brief as this one. The hon. member sponsoring the bill has told us that the company will be willing to accede to the request made for revision, and I have no doubt that certain requests will be made for revision of this bill. However, I do not see why we should leave so much to chance; I cannot see why we should not know just what the company has in mind in order that we can consider a bill such as this with confidence.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

SECOND READINGS—SENATE BILLS

Bill No. 382, for the relief of Mary Matilda Getto Paquin.—Mr. Hunter.

Bill No. 383, for the relief of Ruth Nourse Tomlinson Wilson.—Mr. Hunter.

Bill No. 384, for the relief of Joseph Henri Marcel Giguere.—Mr. Hunter.

Bill No. 385, for the relief of Edith Isabella Bond Brown.—Mr. Hunter.

Bill No. 386, for the relief of Yolande Joos Thompson.—Mr. Hunter.

Bill No. 387, for the relief of Norva Florence Lemon Farley.—Mr. Hunter.

Bill No. 388, for the relief of Freda Marie Johnston Storey.—Mr. Hunter.

Bill No. 389, for the relief of Jack Beattie Thompson.—Mr. Hunter.

Bill No. 390, for the relief of Florence Mary Ann Meakin O'Ranski.—Mr. Hunter.

Bill No. 391, for the relief of Theophile Kulczycki.—Mr. Hunter.

Bill No. 392, for the relief of William Michael Grayburn.—Mr. Hunter.

Bill No. 393, for the relief of Katharine Leitner Bouchard Frankenburg.—Mr. Hunter.

Bill No. 394, for the relief of Clara Gaetan Milot Fullerton.—Mr. Hunter.

Bill No. 395, for the relief of Lily Shenker Silverton.—Mr. Hunter.

Bill No. 396, for the relief of Alsye May Lissemore Masterson.—Mr. Hunter.

Bill No. 397, for the relief of Sylvia Knelman Wiseman.—Mr. Hunter.

Bill No. 398, for the relief of Sara Beiss Stein.—Mr. Hunter.

Bill No. 399, for the relief of Veronica Vera Bordenuik Reidt.—Mr. Hunter.

Bill No. 400, for the relief of George Gerald Melville Scally.—Mr. Hunter.

Bill No. 401, for the relief of Joseph William James Tanney.—Mr. Hunter.

Bill No. 402, for the relief of Aline Mailloux Simoneau.—Mr. Hunter.

Bill No. 403, for the relief of Margaret Violet Oswald Nicol MacIver.—Mr. Hunter.

Bill No. 404, for the relief of Irving Umansky.—Mr. Hunter.

Bill No. 405, for the relief of Veronica Forrester Rose Kennedy.—Mr. Hunter.

Bill No. 407, to incorporate the Canadian Union Conference Corporation of Seventh-day Adventists.—Mr. Croll.

SENATE AND HOUSE OF COMMONS ACT

AMENDMENT RESPECTING ELIGIBILITY OF CABINET MINISTERS

The house resumed, from Friday, May 20, consideration of the motion of Mr. Knowles for the second reading of Bill No. 379, to amend the Senate and House of Commons Act.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I had the privilege of making part of my speech on the second reading of this bill on Friday, May 20. At that time I dealt mainly with history and made reference to certain sessional papers which had been tabled in days gone by, in response to questions I had asked showing my long-standing interest in the question as to whether or not cabinet ministers should be at the same time directors of private companies. I also invited hon. members to read the very interesting debates on this question which took place in the House of Commons in 1921 and 1922. I made reference to these debates of 1921 and 1922 both for their own sake and to support my contention that this matter is not one that has arisen in the public mind only recently but rather one that has been the concern of members of parliament and the concern of public men for a good many years.

I indicated at the close of my remarks on Friday that I would make reference today to certain practices connected with this subject matter. I must say quite readily that I have not been able to ascertain that any country where the situation is similar to ours has legislation of the kind proposed in my bill, making it a statutory provision that ministers not hold directorships in private companies. Particularly I must say that there is, as far as I can ascertain, no such legislation in the United Kingdom or in the United States. However, hon. members are aware of the practice in the United Kingdom which in more recent years in particular has been quite definite in that, as a matter of routine and as a matter of practice, ministers do not hold directorships in private companies. They exercise a very scrupulous practice in relation to private legislation that comes before the parliament at Westminster. Then, too, all of us are aware of what happened recently in the United States in the case of Mr. Charles Wilson, who found it necessary because of public opinion to divest himself, not only of any authority he exercised by way of directorship, but also of his holdings in a very large corporation in that country, before taking a post in President Eisenhower's cabinet.

I cite these examples freely admitting that they show that there is no legislation along this line, but also showing that there is a very strong feeling in countries like ours that cabinet ministers should not be directors of private companies.

I should like to say a word about the practice in our own country, particularly with reference to the most important member of the cabinet. I am not referring only to the present situation, but to the situation across the years. As I understand it, previous to Sir Wilfrid Laurier there were prime ministers who held directorships in small firms, but Sir Wilfrid Laurier gave up all but one small, shall we say, family directorship. In the case of the prime ministers we have had in Canada since that time, they have divested themselves of any and all directorships they might have held. That was the case with Sir Robert Borden; it was the case with the Right Hon. Arthur Meighen; and it was the

case with the Right Hon. W. L. Mackenzie King. I understand that the late Lord Bennett—he was Mr. Bennett at the time—gave up his directorships at the time he became the leader of the Conservative party in 1927. In the case of the present Prime Minister, as can be seen by reference to sessional paper No. 160-B, tabled on February 11, 1948, in response to questions of mine, he was sworn of the privy council on 10th of December, 1941, and five days later resigned all of his directorships. The sessional paper to which I have referred lists those 11 directorships which he resigned immediately after becoming a member of the cabinet. Of course, that was a long time before he became prime minister, but subsequent sessional papers have indicated that the present Prime Minister does not hold any directorships.

In other words, so far as the prime ministers of Canada are concerned, it is an accepted practice that in their view they should not be directors of private companies while they hold that very high office. Now, in view of my admission that I have not been able to find legislation comparable to my bill, the question arises—and it is a fair one—why ask for legislation; why not leave it, as the Prime Minister suggested, to the conscience of each individual cabinet minister?

First of all I wish to say, Mr. Speaker, that things have changed a good deal since the early days when the Senate and House of Commons Act was first put into effect and when it was felt that the only kind of relationships that could exist between the people and the government in a business sense were in the terms of contracts or small offices that might involve emoluments. Things have changed considerably, particularly in this day when the government is involved in so many things in our economy and particularly in view of the change in respect of income tax and succession duty legislation. There are all kinds of ways today in which there is contact between private corporations and the government which were not the case in the earlier days of this country. I submit that on that score this whole question should be reassessed.

I have read a great many times, as other hon. members have done, and with a great deal of interest, the independence of parliament provisions of the Senate and House of Commons Act. As hon. members know, squarely in the middle of the Senate and House of Commons Act there are ten or a dozen sections which make it a matter of statute that no member of parliament is to hold, while he is a member of parliament, any job under the crown to which any emolument is attached, no matter how small that job or that emolument might be. It is also made statutory that no member of parliament may have any contract with the government. No member of parliament may sell anything to the federal government, nothing whatsoever.

Mr. Speaker, as strongly as I can I make the point, that matter is not left to conscience. It is not left to my conscience or to the conscience of any other individual member whether we should try to get some little job under the government while we are members of parliament or whether we should try to get some contract with the government. It is laid down by statute that these things shall not be done.

I submit, Mr. Speaker, that in the case of cabinet ministers the situation is even more important and more crucial. If it is not left to the conscience of individual members of parliament whether or not they do things that might compromise the independence of parliament, I submit that it should not be left to the individual consciences of cabinet ministers. I suggest that there should be regulation there as well. I suggest there should be a statutory provision so that it will be crystal clear that no cabinet minister can have any other duty or obligation which can conflict in any way with his full-time responsibilities to the Canadian people as a cabinet minister.

As I say, I have read with considerable interest the independence of parliament provisions of the Senate and House of Commons Act. I have also examined with some interest what the attitude of parliament has been across the years towards these provisions. Hon. members may know these facts but even if they do, they will not mind my recalling them to them.

There was an occasion when no less a person than the Speaker of the House of Commons was obliged to resign his seat in the House of Commons and to resign his speakership at the same time because he violated one of the independence of parliament sections. He happened to be the first Speaker under a Liberal regime. I hasten to add that in the examples I shall give in a moment I shall be quite fair; I shall name instances where both Liberals and Conservatives ran afoul of that particular law. In this case it was Mr. Speaker Anglin who represented a constituency in New Brunswick and who edited or owned a newspaper down in Saint John. I believe the name of it was the *Freeman*. It turned out that that paper carried some federal government notices or paid advertisements, and the committee on privileges and elections felt that procedure was a violation of the independence

of parliament provisions in the Senate and House of Commons Act. As a result, Mr. Speaker Anglin was obliged to resign. Some time after the session of 1877 he ran in a by-election, was re-elected and came back to the House of Commons and was again elected to the Speaker's chair.

I may say that the late Mr. Anglin's re-election as Speaker in 1878 was not without an extremely acrimonious debate. I invite hon. members who are interested in our past as a parliament to read particularly the real "knock-'em-down and drag-'em-out" oratorical battle that took place between Hon. Alexander Mackenzie, who was then Liberal prime minister, and Sir John A. Macdonald, the leader of the Conservative opposition. Sir John objected strenuously to Mr. Anglin's even being seated back on the floor of the House of Commons before a Speaker had been elected, let alone his being elected as Speaker of the House of Commons. There may have been other occasions, but certainly on that occasion the result of that debate was that there was a recorded division as to whether or not Mr. Anglin should take the chair in 1878 as Speaker of the House of Commons. All of that fight and all of that furore was over the incident to which I have referred, namely the appearance in the Saint John *Freeman* of certain notices or advertisements inserted there by the federal government. The insertion of those notices was regarded as a violation of the independence of parliament provisions.

Let me come on down the years a bit, Mr. Speaker, and remind the house that in 1932 there was a Mr. Jones in the House of Commons. That was not my present colleague of course. This was Hon. George B. Jones who was the then Conservative member for Royal. He turned out to be the principal partner in the firm of Jones Brothers which had sold certain merchandise to the Indians, who were wards of the federal government. As a result of investigation in that case Mr. Jones resigned, although he too was re-elected. Similarly in the early part of this century there was the case of the then Liberal member for Glengarry, Mr. J. T. Schell, who, it was found, sold crates worth $5.50 to the dominion government. The matter was referred to the committee on privileges and elections. In his case he was able to satisfy that committee that this had been done without his knowledge, and he was not called upon to resign.

From their knowledge of history probably hon. members are more familiar with certain events that took place in 1915, during world war I. At that time certain matters were referred to the committee on public accounts. As a result, two Conservative members of parliament—Mr. Foster from Kings, in Nova Scotia, and Mr. Garland who represented the constituency of Carleton—were obliged to resign. Mr. Foster was involved in some war contracts rather directly. In the case of Mr. Garland, it appears that he was one of the proprietors of a drug store here in Ottawa; and the record indicates that it was a boy working in his store who made to the federal government certain sales out of which he made a considerable profit. Mr. Garland was held responsible for this action.

If I may say so, to put it in language that will be understood, when I read in the *Hansard* of 1915 the things that Sir Robert Borden said about Mr. Garland and Mr. Foster, both of whom were his own members, I was reminded of what the present Prime Minister (Mr. St. Laurent) said when the case of Mr. Dewar, the former member for Qu'Appelle, arose in this house a few years ago. In other words, on all of these former occasions as well as in the case of the former member for Qu'Appelle—perhaps that case is a little bit different, although it included an involvement of a kind with a contractor who had relations with the government—in all these cases the house took an extremely serious view of the situation, and in all cases where the prime minister came into the picture, right across the years as leader of the house, whoever he was, Liberal or Conservative, he took an extremely serious view of any of these steps that seemed to involve a violation of the provisions of the independence of parliament sections of the Senate and House of Commons Act.

If we as a House of Commons have taken such a serious view of these things which, when we look at them, seem to be rather minor, should we not take an equally serious view of what I am concerned about in this bill that I present to parliament, namely the matter of cabinet ministers being directors of private companies.

When I began my remarks on Friday I said—and I ask the Prime Minister and others to remember it—that I raised this matter as one of principle. I do not raise it for the purpose of making an attack on a particular cabinet minister. Nevertheless I am going to mention something in relation to a particular cabinet minister because his case is, I think, a rather scandalous example of a bad practice. But I must say to the Prime Minister (Mr. St. Laurent) that the person whom I hold responsible, the person whom I think the house has to hold responsible for the Minister of National Revenue (Mr. McCann) continuing as a director of the

Guaranty Trust Company of Canada is the Prime Minister who said very clearly in the house the other day that he felt the matter should be left to the conscience of each individual cabinet minister. That is what I think is wrong. It is that as a principle which I am attacking.

I ask hon. members to listen to one or two sentences I want to read from the annual report of the Guaranty Trust Company of Canada for the year 1954. Incidentally, there is no question about it, on page 2 of the report the Minister of National Revenue—and that title is given to him in the report—is listed as one of the directors of the company. In this same annual report there are of course a number of propaganda or advertising paragraphs urging people to do business with the company. One of the paragraphs is entitled, "Administration of Estates", and reads in part as follows:

> Guaranty Trust Company of Canada makes an ideal executor or administrator of an estate.

I skip a few sentences, and then I read this:

> Each estate is in charge of a senior trust officer, supported by the advice and guidance of the executive officers, directors and local advisory boards . . .

Imagine, Mr. Speaker, once upon a time a Speaker of the House of Commons had to resign because some government notices appeared in a paper that he owned in Saint John, New Brunswick, but today the Prime Minister says it is all a matter of conscience when he has a colleague who is a director of a company which is administering estates, a director who, according to that company's advertising, gives his guidance and advice to that company's clients in such matters as succession duties. Yet, the same person sits on the other side of the table as Minister of National Revenue levying those succession duties. How can one be on both sides of the table at the same time?

I said a moment ago that I mention this only because it strikes me that it is a scandalous example of a bad practice, but the person I think we all must hold responsible for the continuation of this practice is the Prime Minister who, as he will readily admit, has taken the responsibility for laying down the principle that these things should be left to the conscience of individual cabinet ministers. I think that day has gone. I think the time has come when, if it is not left to our consciences as individual members of parliament whether we maintain the independence of parliament required by the Senate and House of Commons Act, the same statutory provision should be there so far as cabinet ministers are concerned.

As I say, I present this as a matter of principle. I present it as something that for my part has been a matter of long-standing interest. I present it as something that has been the concern of parliament right across the years. I hope very serious consideration will be given to it. I do not know what is going to happen to my bill. I know what happens to most bills that are introduced from the opposition side of the house. They do not get along very well the first time, but still it is true that across the years good ideas introduced on the opposition side of the house do have their way of being accepted in one way or another, and I hope that the principle I am presenting to the house in this bill will sooner or later be accepted, and sooner rather than later.

As for the Liberals, they of course can vote either way so far as precedent is concerned. I pointed out the other day that in 1921 most of the Liberals voted for a bill having the same effect as mine would have but in 1922 practically all the Liberals voted against a resolution to the same effect. In the case of the Conservatives, back in 1921 and 1922 most if not all of them voted against any statutory provision of this kind. Nevertheless I think that the Conservatives would do well to read what Arthur Meighen said on those occasions. In fact he was almost prophetic at one point where he said that the time might come when something along this line would have to be done. I have not checked with Arthur Meighen to find out, though he could be seen by those who are close to him, but my suspicion is that he who in 1921 and 1922 did not want this kind of legislation but wanted it crystal clear that no cabinet ministers should hold directorships, might say that if after all these years this kind of thing is still going on, the kind of thing to which I have alluded by reference to the annual report of the Guaranty Trust Company of Canada, it would appear that there is no solution to it but to bring in legislation to make it clear that being a cabinet minister is a full-time job.

I will be quite happy if the Prime Minister will make the kind of announcement that will make this legislation completely unnecessary. I do not need to spell out what the terms of that announcement would be. Perchance as he thinks the matter over he will agree with me that, rather than leaving it to the individual consciences of cabinet ministers and rather than leaving it as a responsibility resting upon the conscience of the Prime Minister alone, it might be better to have parliament make the decision. In any event, Mr. Speaker, I think we would be true to the best traditions of parliament, and we would be true to the concern of those who have

gone before us in this place right back to 1867 if we would give very serious consideration to what is involved in the principle of the bill.

As I pointed out, long ago it was felt that any individual private member who did anything to compromise the independence of parliament should resign his seat, and that course has been followed on a number of occasions. I suggest that the position of cabinet ministers is even more important, and I hope that very serious consideration will be given by the Prime Minister and his colleagues in the cabinet and by all members of the Liberal party, the Conservative party and the other parties in the house to what I suggest is a very important proposition.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I quite realize that we have had this afternoon a historical recitation mixed in with a form of innuendo of which I am quite sure the hon. member for Winnipeg North Centre (Mr. Knowles) was quite unconscious. In reciting the tales of bygone offences against the independence of parliament provisions he cited on every occasion, as I recall it, offences under the act which were specific in the sense that the statute forbade them but in addition all were offences in which the person concerned was in fact, or at least in theory, profiting financially.

At no time throughout the 40-minute speech he has just concluded has he made any such reference with respect to any present instance of that kind, and I repeat that in order that the hon. member will agree with me that he is speaking generally at the moment for the purpose of amending a statute.

Mr. Knowles: I am not only happy to agree with that statement but I think, in view of my agreement, the minister should not impute to me the throwing out of innuendoes.

Mr. Harris: I am glad to do so because, as I said in my opening remarks, I am quite sure the hon. member was perhaps unaware of it, but listening to his remarks from this side—and I do not want this to be an argument—the cases he cited were not cases in support of the proposition he was making. I have made my point and, as I said before, I am sure my hon. friend did not mean to put the matter in that light. I will therefore make the obvious remark that there is a distinction to be made between offences under the independence of parliament provisions and what is being suggested here. What is being suggested by this amendment is that members of the cabinet shall not engage, either directly or indirectly, in any other activity, be it honorary or active, because doing so would not be desirable in the interests of the public service of Canada and not that, in effect, the minister himself may be profiting by the activity in any improper manner.

Since my hon. friend agrees that there is no such suggestion in this case, I would turn my attention to the amendment itself. The amendment is to the Senate and House of Commons Act. It purports to lay down by statute a bar against certain persons being members of the cabinet. On that point I want to ask my hon. friend if I am right in two deductions I have made from the wording of his amendment. The first is that he has excluded from the operation of the amendment persons who would be directors or connected in any official capacity, if you will, with a company incorporated under a provincial statute.

Mr. Knowles: For the purpose of laying this matter before parliament in the form of a bill, I kept it as simple as possible by not having too many aspects to which people like the minister might object. For that reason, I deliberately limited it to companies incorporated under federal statute.

Mr. Harris: Very good.

Mr. Knowles: I knew there would be strong objection if I had included companies incorporated under provincial statutes.

Mr. Harris: I assumed that was what my hon. friend meant to do by the wording of his amendment. There is just one other question. The house will forgive me if I adopt this somewhat unorthodox approach because I want to understand what is in my hon. friend's mind at the moment. In the final lines of the paragraph we have this, that certain persons shall not be eligible, in effect, to be members of the Queen's privy council for Canada and ministers of the crown. I take it from that there may be persons, members of the Queen's privy council and not members of the cabinet, who may thereby remain directors of any company incorporated under a federal statute?

Mr. Knowles: There are two of them in the house right now, on the front benches of the official opposition. There are people like Sir Anthony Eden and Sir Winston Churchill, who are members of the Queen's privy council for Canada, more or less on an honorary basis. I thought this provision should extend only to those who are actually cabinet ministers. If the minister has any more questions, perhaps we could turn this into a press conference.

Mr. Harris: I have no other questions. I assumed this was what my hon. friend had in mind. There is a distinction, of course,

which is easily drawn to the attention of the house, and that is that in the mind of the hon. member it appears to be in order and proper that members of the ministry should hold directorships, and presumably other forms of active participation, in the management of the affairs of a company, so long as that company is not incorporated by this parliament.

Mr. Knowles: That is not a fair statement.

Mr. Harris: Then, under the Companies Act.

Mr. Knowles: I think this form of questioning is not only out of order but is highly unfair. I would be prepared to go further, Mr. Speaker. I put my bill in its narrowest terms knowing full well that if you ask for too much in this house people like the minister pick out all sorts of technicalities that are supposed to invalidate a proposition. I am quite prepared to go further, if that is what the minister wants. The minister will recognize that what is set out in this bill is a principle, and he cannot get away from it even by this kind of cross-examination.

Mr. Harris: I had concluded my cross-examination, Mr. Speaker, and I gather my remarks were not acceptable. The hon. member talks about a principle. What is the principle? The principle is surely the protection of the public service. I do not understand how my hon. friend supposes that a director of a corporation incorporated not by this parliament or under the Companies Act of Canada, would be in a position where he could carry on his activities under a provincial statute, if you will, and not offend the principle that my hon. friend is trying to assert.

Mr. Knowles: Would the minister be willing to amend my bill and include companies incorporated under provincial statutes?

Mr. Harris: My intentions are going to be made clear in due course. I wanted to point out to the house, and I think I have, that there is no principle here based on what I judge to be the real purpose of the amendment. My hon. friend, of course, is trying to take the position that he is doing something which would improve the public service of Canada. Yet he supposes that on these treasury benches there could be two ministers, one of whom before he was sworn in was a director of a federally incorporated company and who would have to divest himself of that obligation, and alongside of him could sit another person who was a director of any number of provincially incorporated companies and there would be no objection to that.

Mr. Knowles: If that is the minister's only objection, we can amend the bill very quickly.

Mr. Harris: I am only referring to my hon. friend's definition of his principle. I have yet to find a principle if he would permit that kind of conduct.

Would you call it six o'clock, Mr. Speaker?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

CANADIAN NATIONAL RAILWAYS

CONSOLIDATION OF LEGISLATION—AUTHORIZATION FOR OPERATION OF TELECOMMUNICATION SYSTEM, ETC.

The house resumed consideration of the motion of Mr. Marler for the second reading of Bill No. 351, respecting Canadian National Railways.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, we in this group support this measure not only because it is necessary for the operation of our nationally owned railway and because it is a tidying up of existing legislation, but also because it gives to the Canadian National Railways, as I understand it, the right to compete with the Canadian Pacific Railway on an equal basis. Certainly, if we are to expect from our nationally owned system a railway that will compete successfully with the privately owned system, we should be prepared to give it all the powers that the Canadian Pacific Railway now is able to exert in the transportation field.

We in this group particularly expect from our nationally owned railway system not only service as efficient as that from the privately owned railway but in fact a better service, a service that meets the needs of the Canadian people more adequately than that given by the privately owned railway.

In its operations the Canadian National Railways should, as I hope they do, look at the general economic well-being of the nation, and should not be governed solely by economy considerations. I am sure the Canadian National Railways do not like to show a large deficit year after year; but I believe more important than whether or not the Canadian National Railways may show a deficit is the kind of service that they may be able to provide to Canadians generally. Certainly, I believe that adequate service to the Canadian nation by the C.N.R. is more important at any given time than a C.N.R.

balanced budget. Since the Canadian National Railways is a nationally owned system, it might be cautious in laying off large numbers of employees, because by doing so it merely adds to the general employment difficulties of the nation. When the government is responsible, as it is, for full employment, we would not want the railroads doing anything that would unduly add to that responsibility.

We naturally understand the position of the C.N.R. in wishing to modernize its railway and to economize to the greatest possible extent. But I cannot help having full sympathy for those who find themselves displaced, and particularly the case mentioned the other day by the hon. member for Winnipeg North Centre (Mr. Knowles). In the main we look to the nationally owned railway system for the provision of service. I for one do not like to see any large and substantial whittling down of that service in an attempt to balance the budget of the C.N.R. I see the Minister of Finance (Mr. Harris) grinning. I do not think it is any worse for the C.N.R. to have an unbalanced budget than it is for the whole Canadian nation to have a nationally unbalanced budget as we have this year. Either one may be more in the interests of the nation at any given time than a precisely balanced budget.

Members of parliament, certainly those from the prairie areas, are having brought to their attention, more frequently in recent weeks and months, instances of a severe curtailment of railway service. My information may or may not be correct; but I have been informed that while the prairie area has been one of the main areas in which some services have been reduced, yet the main objective for reduction of services could shift from that area to another area.

I have said that we all like to see a balanced budget, yet I cannot help but sympathize with the people in those areas who suffer a cancellation of services or a reduction of services. I have obtained from the board of transport commissioners the record of reduction of train services and the closing of stations, at least as far as maintaining a station agent is concerned, since January 1, 1953. I find that in the province of Saskatchewan alone in 1953 there was a reduction affecting 19 trains and 9 lines in that province. The next year there was a reduction of service by only two trains on one line. In this year to date there has been a reduction of train service on 7 railway lines. This means that in the period from January 1, 1953, to the present there has been a reduction in service on 17 lines. This compares with a reduction of service in the same period on 5 Canadian Pacific Railway lines. There may be reasons to explain the much larger number of C.N.R. lines that have had train service reduced, but certainly we expect from our C.N.R. as few reductions in our train service as possible.

I hold in my hand a table entitled "Removal of Station Agents in Saskatchewan granted since January 1, 1953". It says that on the C.N.R. in 1953 station agents at 3 points were removed; in 1954 station agents at 11 points were removed; and in 1955 to date station agents at 3 points have been removed. I believe in every case a caretaker has been substituted for the services of the station agent. But, as the minister knows a caretaker does not accept C.O.D. orders, and of course he is not able to transmit telegrams, and in fact can only give to the people in that community a very limited service compared with the service given by a station agent.

I have had brought to my attention a further unwarranted reduction in train service that is being contemplated by the C.N.R., namely, a proposed reduction in its present daily passenger service between the city of Weyburn and the city of Regina. This follows a cancellation of the passenger train service between the city of Weyburn and the town of Radville in 1953. The people in that area are very concerned about the reduction in train service. The mayor of the city, Mr. J. H. Stavely and the chairman of the chamber of commerce, Mr. D. Mann, have met with railway officials and have placed before them the position of the people in the area around the city of Weyburn and in the Radville district.

As I have said, we can quite understand the C.N.R. wishing to save as much as possible through cutting down railway services; but surely there is more to be considered than merely balancing the budget. It is true that the C.N.R. has applied for a trucking franchise along the Regina-Weyburn route in order to substitute a trucking service for the reduced services as far as freight and express are concerned. Communications I have had oppose this move. In fact it would be an unnecessary duplication of service.

Since as a nation we must maintain our railways, to the extent that freight traffic is removed from the railways by the railways themselves and placed in a trucking service, we the people of Canada are paying for two types of service. It is true also that as a nation, or as a province, we have to maintain our highways. Therefore, it is in the national interest that in so far as possible a national transportation policy should be adopted that

will permit our railways to provide the very best service and protect the general interests of the Canadian public.

Until we have a national transportation policy we are going to have more and more uneconomical competition between our trucking and railway lines. Trucking services, altogether apart from those operated by the railways in direct competition with the railways, will take away from them much of their traffic and the nation as a whole must maintain the rail services and therefore must pay for the maintenance of the railway right of way and at least reduced railway services. The nation as a whole must pay for the highway services and maintain the highways.

I am hopeful that the government will adopt a national transportation policy which will prevent further curtailment of the services that the railroads have provided and not make it necessary for the Canadian public to bear the cost of the duplication of services.

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I have listened with a great deal of interest and I think considerable attention to what has been said by the various hon. members who have participated in the debate on this bill. I think without exception all hon. members who have participated in the debate approve of the principle of the consolidation of what I might call the Canadian National legislation. However, one or two members have said that under the guise of consolidation or under the subterfuge of consolidation other things were being done in the legislation now before the house.

I do not think that those terms aptly describe what has been done because when I look back on the proceedings in connection with this legislation I find that the principal changes to be made were set forth in the resolution itself which made it perfectly clear that the purpose of the legislation was not only to consolidate the existing legislation but to make five particular changes. When I made a statement at the resolution stage of the bill I drew that to the attention of the house. Likewise when I made a statement on the second reading I endeavoured to point out the five changes which this legislation would bring about so far as Canadian National Railways was concerned.

The Leader of the Opposition (Mr. Drew) taxed me with a lack of frankness with regard to this measure and I want to say right away that I plead not guilty to that accusation. I think I have made it perfectly clear that no attempt is being made by calling this measure a consolidation to embody in it additional legislation of which the house has not had the fullest notice. During the course of my remarks at the resolution and second reading stages I made it quite clear what purposes the government had in mind in bringing forward this legislation at this time. I should like to deal particularly with the powers which it is proposed to give to the railway company in the matter of what I might term highway transportation. In that connection I said yesterday, as reported on page 4021 of *Hansard*:

> Mr. Speaker, the Canadian National Railways, through its company, Canadian National Transportation, Limited, has very comprehensive highway powers; but it is not intended to give such comprehensive powers to the Canadian National Railways. As will be found by reference to the bill, it is intended only that the parent company shall have powers in conjunction with or substitution for a rail service.

In order to particularize the type of transportation services to which the bill was intended to apply, I then went on to say:

> This is designed primarily in order to regularize the pickup and delivery services in the metropolitan centres, and to give the company corporate powers to enable it to provide trucking or bus services in cases in which rail line abandonment would not be permitted by the board of transport commissioners, unless a formal undertaking with regard to road transport were submitted.

During the debate at the resolution stage when dealing with services in substitution for rail services I explained the position of the railway company very fully. I do not think I have anything either to add to or subtract from the two statements to which I have just referred. I think they set forth fully and frankly the exact powers that we wish to give to the Canadian National Railways.

If it had been the sinister purpose of the government to enable the Canadian National Railways to exercise the extensive powers it has through its subsidiary companies I believe it would have been possible to have made use of the legislation to which the Leader of the Opposition referred yesterday and this afternoon, the Motor Vehicle Transport Act which was passed last year. This afternoon the Leader of the Opposition read to the house the extensive powers of Canadian National Transportation, Limited, and I was glad that I had said yesterday that it was not our intention to declare that these works should be for the general advantage of Canada. There is no intention whatever on the part of the government to broaden the already broad powers which the subsidiary company possesses and to which the Leader of the Opposition referred this afternoon.

I should like to emphasize that the reason we wish to give these powers to the railway company is that they are in fact exercised by the railway company and not by the subsidiary. Pickup and delivery services of the

railway company are carried out by the railway company itself and not by the subsidiary in the principal metropolitan centres. I understand that that is not the practice of the Canadian Pacific Railway. As I said yesterday, it is proposed to regularize this situation by giving the railway company the corporate powers necessary for that purpose. When I presented the resolution, I said, as reported on page 3198 of *Hansard* of April 26, 1955:

> There is no suggestion either that in granting this power the railway shall be free from the necessity of complying with the requirements of provincial governments so far as provincial laws apply to the operation of motor vehicles owned by the company.

There is no intention on my part of going beyond what was said by me during the resolution stage or yesterday on the second reading, though it may perhaps disappoint some hon. members of this house who I gather would like to see the very broadest powers in the matter of highway transportation vested in the Canadian National Railways. I had thought, and it had been so represented to me, that the powers in the matter of highway transport contained in the bill were subject to considerable restrictions, first of all, in the enumeration of the powers itself, and, second, by the use of the expression "in conjunction with or in substitution for rail services." It was believed, and quite honestly I shared that belief, that this was a restriction of the highway transportation powers which it was proposed to give. But, after listening to what has been said by hon. members during the course of this debate and the representations that have been made to me since the bill has been made public, I have come to the conclusion that the bill itself does go beyond the limits which I had set forth when the resolution was presented. For that reason I should like to supplement what I said yesterday with regard to the amendment which we proposed to meet.

I might perhaps sum up as briefly as I can the amendment that I contemplate in order to meet the limitations which I had in mind, so that the bill will conform entirely with what I said, both in the resolution stage and yesterday. I said first of all yesterday that it was proposed to amend the bill so that the declaration that the railway or other transportation works of the company are works for the general advantage of Canada should not extend to the companies listed in part III of the first schedule to the act. Part III of the first schedule includes of course, as I said specifically yesterday, Canadian National Transportation, Limited. In the same sense, it was never my intention that the declaration contained in the bill to the effect that the transportation works were works for the general advantage of Canada should extend to cover the highway transportation activities of the Canadian National Railways, under the section of the bill by which it is proposed to give them power in this matter.

Finally, because I believe the matter should be abundantly clear, I would also propose that the powers which would be granted to the company should be exercised subject to provincial legislation applicable to persons generally.

Mr. Speaker, I am sure that you realize that the effect of the amendments that I contemplate is to give to Canadian National Railways the corporate power to operate motor vehicles in connection with its pickup and delivery services and moreover to exercise similar powers in the case of the abandonment of rail lines where the supplying of bus services or truck services in lieu of rail services is made a condition of the order of abandonment granted by the board of transport commissioners.

In effect that would put the railway company in the position of having the corporate powers to carry out these activities and leave it in the position in which it is at present of requiring it to conform to provincial legislation so far as the carrying on of these operations is concerned.

Mr. Drew: I do not want to interrupt the minister, but do I understand that it is now his intention to incorporate in the amendment a specific provision that the powers conferred upon the Canadian National Railway Company by section 27 will be subject to provincial legislation in regard to highway traffic and the setting of tolls and regulation thereof?

Mr. Marler: Mr. Speaker, if I might answer the question in reverse, I would say that I do not attach any importance to the provision with regard to charging tolls for the services, and I would be quite prepared to see it disappear without any hesitation, because I do not believe it is at all essential. So far as the other power is concerned, the power to own and operate motor vehicles under section 27, it is intended that it be exercised subject to provincial legislation applying to persons generally.

Mr. Drew: Again I do not wish to interrupt the minister, but I think we should be clear on this. The minister has said "it is intended". I would point out that it is not a matter of what is intended; it is what the act says. I have asked a fair question. Does

the minister propose to introduce an amendment which will specifically declare that the Canadian National Railway Company in operating such services as are covered by section 27 will be subject to provincial regulations, licensing and toll rates?

Mr. Marler: Mr. Speaker, I thought it was already perfectly clear from what I have said, but if the Leader of the Opposition does not feel my answer was sufficiently categorical I wish to say it is my intention definitely to propose an amendment in that sense. I hope the Leader of the Opposition is satisfied that this is the kind of categorical answer he would like to have.

Now, I wish to emphasize particularly that there is no intention whatever to make use of the act to which my hon. friend seemed to attach so much importance both yesterday and this afternoon, the act respecting extra-provincial motor vehicle transport. If it had been our intention to make use of that provision, probably most of this debate would have been quite unnecessary, because it would have been possible under that act, if we had in mind the sinister purposes which have been attributed to us, to make use of section 5 of the act and enable Canadian National Transportation, Limited, to exercise the very full powers which it now has. But nothing has been further from our minds, and we have no intention whatever of doing it.

Mr. Speaker, one final word. The Leader of the Opposition this afternoon spoke about the C.P.R. powers respecting branch lines. I will agree with what he said, so far as he went. In other words, he made it perfectly clear that Canadian Pacific Railway was in a general sense subject to the provisions of section 183 of the Railway Act, which requires the approval of the board of transport commissioners where a branch line exceeds six miles. He seemed to have forgotten the fact that that applies, not throughout the whole length of the C.P.R. mileage, but that it has the right under its charter to construct branches off its main line of any length west of Callander, Ontario, without the approval of the board of transport commissioners.

In the legislation which is before the house it is not the intention to grant similar powers to the Canadian National Railways. It is intended, as I have said both at the resolution stage and yesterday, to give it the power to build lines not longer than six miles in length without the necessity of parliamentary approval.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

Meat Inspection

MEAT

INSPECTION OF PRODUCTS ENTERING INTERNATIONAL AND INTERPROVINCIAL TRADE

Right Hon. J. G. Gardiner (Minister of Agriculture) moved the second reading of Bill No. 352, respecting the inspection of meat and meat products entering into international and interprovincial trade.

Mr. Charlton: Does the minister wish to make a statement?

Mr. Gardiner: In rising to move the second reading of Bill No. 352, an act respecting the inspection of meat and meat products entering into international and interprovincial trade, I may say that experience over the years has brought us to the conviction that where we have made provision in acts of this kind to enact measures with regard to interprovincial trade as well as intraprovincial trade, we have run into difficulties whenever these measures have been brought before the court.

We have been advised that at this time amendments should be made in this act for the purpose of removing some of the doubtful sections of it. The main purpose is in order to provide for changes which have taken place. The act as it now stands provides for the regulation of the inspection of canned foods such as fruits and fish. Fish are now being taken care of under an act under the fisheries department and therefore that is not required. It is the intention to bring in a general standards act which I hope to bring forward immediately following this particular bill, in order to take care of the other matters which will be removed.

This bill provides for an act dealing specifically with the health inspection of meat and the sanitary inspection of premises and equipment in plants engaged in interprovincial and export meat shipment. Legislation in that respect has existed since 1907 under the Meat and Canned Foods Act, which act deals also with the grading and inspection of any canned foods including fish. Certain minor amendments were desired in the meat inspection legislation to provide for inspection fees to strengthen the authority of the act with respect to plant sanitation requirements and health supervision of imported meats and meat products.

As the provisions of the present act relating to meat inspection have no relation to the provisions with respect to canned fish, fruit and vegetables, the government consider that the occasion would be appropriate to introduce a bill for a separate act having to do with meat inspection. The bill does

not in substance differ materially from the meat inspection provisions of the Meat and Canned Foods Act. It provides that meats or meat products shall move interprovincially or for export only from establishments which meet prescribed conditions with respect to sanitation and in which all meats and meat products have been inspected and passed for health. It provides also that imported meats shall be subject to inspection on a basis similar to that prevailing in Canada. It is proposed that when the required regulations have been made under the new legislation, the corresponding regulations under the Meat and Canned Foods Act can be revoked.

I should like to move second reading of the bill.

Mr. J. A. Charlton (Brant-Haldimand): Mr. Speaker, I do not think much discussion is necessary on this bill. As I understand it, it is simply taking out the meat inspection part of the Meat and Canned Foods Act and putting it into a separate bill. That is my understanding of it. Of course, as the minister said, import restrictions for imported meat products are to be taken under this bill now.

This bill has been in use for many years. It is a wonderful thing for the protection of the consuming public in that all plants having to do with interprovincial or international trade must be inspected by inspectors of the health of animals division. Confidence in a product makes for higher consumption of the product and naturally, in many cases, increases the price to the producer of those various products.

As to many small plants across the country which are not now under inspection, there is some justification for believing that it might be a good idea if, in co-operation with the provincial and municipal officials, there could be some way of utilizing the services of existing veterinary inspectors in various localities across the country in order to see that these other small abattoirs and killer stations come under some kind of inspection similar to that provided in this bill. They are, of course, under inspection now by municipal authorities. But I regret to say that there are some cases in which that inspection is not satisfactory. Some cases have been known where meat has been sold over the counter when it was not fit for human consumption.

I think something could be worked out. I think there has been good co-operation between most of the provincial governments and the federal authorities along that line. By working through the provincial governments and the municipal authorities I think something could be worked out along that line. I wonder whether the government has ever given consideration to that matter or whether they would give consideration to something along that line.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, in supporting this bill may I say that I think perhaps the matter of meat inspection is something that needs to be made uniform. The question that occurred to me is whether or not the present standards have been found to be sufficiently comprehensive to cover the situations arising in different parts of Canada. I believe it is the intention of the minister to introduce another bill called the standards act under which the standards will be established so that the inspection set up under this bill can be directed by standards which will be uniform throughout the whole of Canada. In the general trend of business today, with Canada taking her place as the leading food manufacturer, I think this kind of legislation is a necessary and a good thing.

I should like to have from the minister a statement as to whether he expects that this legislation will result in a large increase in inspection staff over what he already has under the present act, namely the Meat and Canned Foods Act. What steps have been taken to co-operate with the various provinces with a view to getting the inspection uniform? There is provincial inspection of small abattoirs. I understand this has to do largely with canned goods. But the matter of inspection and of having uniformity will be a good thing for Canada. On those two points I think we can support the principle of the bill.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

Clause 1 agreed to.

On clause 2—*Interpretation.*

Mr. Pallett: This is the interpretation section, Mr. Chairman. I gather that much of the interpretation of the bill will depend on the use of the words in this section. I refer the committee to the definition of inspector as it appears in paragraph (b):

> (b) "inspector" means a person appointed or designated as an inspector pursuant to section 7;

I would refer the committee to section 7. I do not find any person designated as an inspector in that section. There is an inspector referred to but not designated. Again, in paragraph (c) we find this wording:

> (c) "meat product" means
> (i) an animal carcass,
> (ii) the product or by-product of an animal carcass, and

(iii) a food product containing any product or by-product mentioned in subparagraph (ii), prescribed as a meat product for the purposes of this act;

I point out for the committee's consideration that, before this act could have any teeth, the meat product would have to have all three of these particular characteristics. I suggest that it was not the intention that this bill should mean that the product must have all three characteristics.

Mr. Gardiner: I am sorry, I was interrupted by a suggestion of an amendment and I did not hear what the hon. member had to say. I wish he would repeat it, if he does not mind.

Mr. Pallett: I was merely referring to the definition of "inspector" in clause 2 (b) as being a person appointed pursuant to clause 7, and in clause 7 there is no designation of a person as an inspector. Then in clause 2 (c) there is a definition of "meat products", and items (i), (ii) and (iii) are set out and are joined by an "and" which would indicate to me that for a meat product to come within the definition in this clause it would have to have all three characteristics. I certainly do not think it was the minister's intention, although I do not know, that in order for a meat product to be so classified it would have to have all three characteristics.

Mr. Gardiner: In so far as the first suggestion is concerned, clause 2 (b) reads:

"inspector" means a person appointed or designated as an inspector pursuant to section 7.

Clause 6 and not 7 provides for the appointment of inspectors and clause 7 says that an inspector may at any time enter any place and so on. The inspector does those things. Under clause 6 (2) the minister can designate any person as an inspector for the purposes of the act, and then clause 7 goes on from there.

Mr. Pallett: But clause 7 is the one referred to in clause 2 (b), not clause 6. If it means clause 6 I suggest it should say clause 6.

Mr. Gardiner: Yes. The inspector is appointed under clause 6.

Mr. Pallett: Should not clause 2 (b) refer to clause 6 instead of clause 7?

Mr. Gardiner: I think so. I will check on it in the meantime while we are going through the others, but I think the hon. member is correct.

Mr. Pallett: Then in clause 2 (c) I think you should add after subparagraph (ii) "and/or" rather than simply "and".

The Deputy Chairman: Is it the wish of the committee that clause 2 stand for the present?

Mr. Gardiner: I think you had better allow it to stand and I will have that checked.

Mr. Bryce: Is the whole of clause 2 going to stand?

The Deputy Chairman: Clause 2 has been allowed to stand.

Clause stands.

On clause 3—*Export and interprovincial movement of meat products.*

Mr. Pallett: In clause 3 the word "prescribed" is used in several instances. Prescribed by what, by regulation or by the act?

Mr. Gardiner: In what line?

Mr. Pallett: In line 6 it says "complied with prescribed conditions." In line 9 it says, "was slaughtered in prescribed manner". In line 10 it says, "was inspected as prescribed before and after slaughter." In line 12 it says, "the meat product conforms to prescribed standards". In lines 17 and 18 it says, "packaged and marked as prescribed." In line 19 it refers to "prescribed evidence that the meat product conforms to prescribed standards", and at the end of the paragraph it refers to "inspection in prescribed manner". Who will do the prescribing?

The Deputy Chairman: Shall clause 3 carry?

Mr. Green: No.

An hon. Member: In the prescribed manner, yes.

Mr. Gardiner: We will read it and see what it says. It reads:

3. (1) No person shall export out of Canada, or send or convey from one province to another, any meat product unless

(a) the meat product was prepared in an establishment that

(i) complied with prescribed conditions, and

(ii) was registered and operated in prescribed manner . . .

I do not think there is anything to misunderstand about that.

Mr. Pallett: Who does the prescribing?

Mr. Gardiner: The conditions are prescribed in the regulations. There is nothing in the act which prescribes the conditions. They are prescribed in the regulations which the governor in council is given the authority to make. Section 4 says:

(1) The governor in council may make regulations for prohibiting the carriage to a destination outside the province in which it was received of a meat product unless . . .

It goes on prescribing again, but the regulations are made by order in council.

Mr. Pallett: I agree that clause 2 (f) says that "prescribed" means prescribed by regulation of the governor in council and the governor in council is given certain authority to make regulations but he is not given authority to make the regulations found in clause 3. I appreciate that under clause 2 (f) "prescribed" means prescribed by regulation of the governor in council, but authority is not given under clause 4 to make the regulations referred to in clause 3.

Mr. Gardiner: Subclause (f) of clause 2, which we have allowed to stand, states that "prescribed" means prescribed by regulation of the governor in council, and clause 4 provides for that.

Mr. Pallett: With respect, clause 4 does not give authority for the governor in council to pass the regulations that are referred to in clause 3. Certain authority is given, but not to the full extent.

An hon. Member: It is in clause 5.

Mr. Gardiner: I think it is fully covered by clause 4. The regulations are provided for in clause 4.

Mr. Pallett: I may be wrong but it has always been my understanding that the governor in council can only pass regulations the authority for which has been given in some act. I suggest that authority is not contained in the measure for the regulations mentioned in clause 3.

An hon. Member: In clause 5.

Mr. Gardiner: Clause 4 and clause 5.

Mr. Low: I think you could regulate anything under clause 5.

Mr. Gardiner: They both give the power to make regulations.

Mr. Pallett: Well, I have done my part to try to prevent the minister getting into trouble.

Mr. Gardiner: I am simply pointing out that we have had legislation on the statute books in the same form since 1907, and so far as this particular matter is concerned we have simply followed what we have had since that time. We have operated under it all this time without any difficulty.

Mr. Drew: Since this question has been asked, how, for instance, under either clause 4 or clause 5 can the governor in council pass a regulation governing the type of evidence that is to be given as provided by clause 3? I can see nothing in clauses 4 or 5 relating to that.

[Mr. Gardiner.]

Mr. Gardiner: The kind of evidence that will be given will be based on the regulations.

Mr. Drew: But it mentions prescribed evidence. Under what part of clauses 4 or 5 is there any provision by which the governor in council can make regulations defining the type of evidence that would be prescribed evidence? I am referring to subclause 2 (b) of clause 3.

Mr. Gardiner: Subclause 2 (b) reads:

> the importer has obtained and produces prescribed evidence that the meat product conforms to prescribed standards.

Let us assume he imports it from the United States. The prescribed regulations in the United States are practically the same as our regulations, and evidence would have to be submitted that is the case before the product would be allowed to be distributed in this country. That has always been a condition of our actions up to date. Meat products brought in from another country and sold in this country have had to conform with our regulations here, although they were probably not stated just as specifically as in the present legislation.

Mr. Charlton: They have to conform to the regulations here, Mr. Chairman, but do they have to bear a mark of inspection from the country of origin?

Mr. Gardiner: Yes, they have had to for some years. I cannot state the exact year when the United States conformed to our regulations or we conformed to theirs, but as my hon. friend knows we have veterinarians who inspect the products and animals that are going into the United States in order to see that they conform to their regulations. It is the same coming the other way.

Mr. Charlton: What about the Argentine, for instance?

Mr. Gardiner: It would be the same. Whatever comes from there has to conform to our regulations. It does not matter where it comes from.

Mr. Lennard: How do you know it is properly inspected?

Mr. Gardiner: We inspect it at our boundary if it has not been inspected.

Mr. Bryce: I should like to ask the minister if this provision covers turkeys moving from one province to the other?

Mr. Gardiner: Turkeys?

Mr. Bryce: Would this provision cover the movement of turkeys from Manitoba to Ontario or from Saskatchewan to Quebec, something like that?

Mr. Gardiner: It includes all meat and meat products moving from one province to another.

Mr. Bryce: What I was anxious to know was whether turkeys raised in Manitoba and British Columbia and moved east are subject to a change of grade in that movement? Is the federal department responsible for the grading once they cross the provincial boundary?

Mr. Gardiner: Well, the provision in this bill covers any meat or meat products moving from one province to another. Those products have to be prepared in certain plants that are properly inspected and the animals themselves have to be inspected to make sure that they meet certain health conditions. Then, those products can move into the other province. Now, what regulations are in the province when the products arrive, I cannot say and I cannot be certain that we will be responsible for those.

Mr. Bryce: I am anxious for the minister to tell me whether his department will grade the turkeys that I produce in Manitoba for shipment across a provincial boundary. Will you department grade them A, B, C?

Mr. Gardiner: Just a moment until I make sure. Yes, all meat products are covered by this bill. I was just looking to make sure that the standards bill did not cover poultry as a separate item from other products.

Mr. Bryce: I want to appeal to the minister to devise some means of assuring that, when a farmer sells his turkeys and gets an A, B or C grade, that grade will be carried right through to the consumer. It is only fair that if a man sells a C turkey it should be sold to the consumer as a C turkey. Merely by crossing the international or provincial boundary, it should not be possible for the turkey to get a higher grade. I hope the minister will see to that.

Mr. Gardiner: I am not just so sure that we have the authority to see to that. My friend said something about crossing a provincial or international boundary. Well, when these products get over to Britain, for example, we have inspectors there to make sure that the products arrive in Britain in the proper condition. However, I am not so sure that we can be certain as to how they are going to be sold in the stores all over Britain.

Mr. Bryce: I know there are enough lawyers in the civil service to devise a law to protect the A, B, C grades which the farmer receives for his poultry, and make sure they are carried right through to the consumer.

Mr. Yuill: So far as the grading of turkeys is concerned, the grades are already definitely established. You cannot, by any stretch of your imagination, call a grade C bird anything but a grade C bird. There are certain characteristics that are native to that particular grade. I do not think there is anything to worry about. I have bought and sold a good many tons of poultry in my day and I never had any difficulty in establishing grades. There is only one possibility and that is that when you are buying you may have a tendency to lose a grade or have a certain shrinkage of grades by the time the product gets to the final packers at the packing plants or marketing boards. I think that the grade will hold right across the board from Alberta or British Columbia down to the maritimes. There are certain recognized standards and I believe they are uniform across the board. I am very happy to see this legislation introduced because I feel it is a good thing. I have had years of experience in the meat business and I know there has been a lot of meat shipped and sold under conditions that were anything but satisfactory. I believe this is a definite step in the right direction.

There are other things that I feel should be taken into consideration. I do not know whether or not this bill applies to fish, but I believe it would be advisable if there were a closer scrutiny of the quality that is sold under brand names. I have had occasion to buy fish particularly that was not what was designated on the wrapper. If they are going to put meat in cans I think the same thing should apply. In general, I am in agreement with the bill as presented.

Clause agreed to.

Clause 4 agreed to.

On clause 5—*Regulations.*

Mr. Gardiner: There is an amendment to clause 5.

Mr. Gregg: I move:

That section 5 be amended by adding the word "and" at the end of paragraph (g), by deleting paragraph (h) and by re-lettering paragraph (i) as paragraph (h).

The Deputy Chairman: Shall the amendment carry?

Mr. Charlton: Not quite so fast; I did not catch the significance of that amendment. Apparently it is to add the word "and" after paragraph (g), was it?

The Deputy Chairman: It is to add the word "and" at the end of paragraph (g), deleting paragraph (h) and re-lettering paragraph (i) as (h).

Mr. Gardiner: Paragraph (h) is left out.

Mr. Charlton: Paragraph (h) would be automatic; it would not be necessary to prescribe a class or kind of meat that was unfit for human consumption. Apparently paragraph (g) would exempt any person or meat product from the operation of all or any of the provisions of this act. Would that apply to local butchers, individuals killing animals for their own consumption or for sale on the local market? Would it apply to anyone else?

Mr. Gardiner: The regulations now provide for that, and that is because we have no control over that sort of thing when it is done provincially.

Mr. Charlton: Where it is not to be sold outside of the province, you have no control?

Mr. Gardiner: That is right.

Mr. Charlton: Then the paragraph just means that anyone who is selling locally is exempt from this bill?

Amendment agreed to.

Clause as amended agreed to.

Clauses 6 and 7 agreed to.

On clause 8—*Seizure.*

Mr. Gardiner: I have an amendment to clause 8 which reads as follows:

That clause 8 be amended by deleting subclause 4; by renumbering subclause 5 as subclause 4; by adding the word "and" to the end of paragraph (a) of the new subclause 4; by deleting the word "and" at the end of paragraph (b) of the new subclause 4; and that the semicolon after the word "section" at the end of paragraph (b) be changed to a period; and that paragraph (c) of the new subclause 4 be deleted.

Mr. Gregg: I so move.

Mr. Charlton: I think we had better have a definition of this amendment before we pass it.

Mr. Gardiner: Perhaps we can have it read as amended.

Mr. Lennard: It would not be any clearer then.

The Deputy Chairman: Are you asking the chairman to read it as amended? I would assume that there is no necessity to read paragraphs 1, 2 and 3, which have not been changed. The present paragraph 4 will come out and paragraph 4 will now read:

The governor in council may make regulations
(a) respecting the detention of articles seized under this section and for preserving or safeguarding any articles so detained; and
(b) respecting the disposition of articles forfeited under this section.

[Mr. Gardiner.]

Mr. Charlton: I have a question with respect to subclause 2 (b) of clause 8, which reads:

Meat products and other things seized pursuant to subsection (1) shall not be detained after
(a) the provisions of this act and the regulations have, in the opinion of the inspector, been complied with, or
(b) the expiration of 90 days from the day of seizure, or such longer period as may be prescribed with respect to any meat product or other thing,—

So far as I am concerned there is some confusion in this wording. It says: "the expiration of 90 days from the day of seizure or such longer period as may be prescribed." In one place it says that it shall not be detained after 90 days, and in another place it says: "or such longer period"—

Mr. Martin: As prescribed by regulations.

Mr. Charlton: Why not leave it open; why mention 90 days?

Mr. Gardiner: Well, of course, it is better to have some definite time. There has to be some special reason for lengthening the time.

Mr. Charlton: Ninety days does not mean a thing.

Mr. Lennard: There has been a lot of thought put in on this bill.

Mr. Charlton: The paragraph says that it shall not be detained after the expiration of 90 days; then it goes on to mention "or such longer period".

Mr. Martin: Yes.

Mr. Charlton: Therefore, the "90" does not mean a thing.

Mr. Gardiner: The time is 90 days unless authority lengthens it.

Mr. Charlton: You might as well have 10 in there.

The Deputy Chairman: Shall the amendment carry?

Mr. Hahn: I am not at all sure that I am satisfied with the deletion of subclause 4. I say that because two or three years ago a well known cat and dog wholesaler on the Pacific coast had beneath his cat and dog food label a canned product which apparently contained some food that we were sending over to Europe for human consumption. Many of the labels came off those particular cans. I do not know whether this happened, but an unscrupulous merchant might be willing to take advantage of the fact that we were sending food to destitute people to sell some of that cat and dog food for human consumption. Subclause 4 is the type of regulation that is

required in Canada. In an instance such as the one I have described I am not satisfied that some merchants might not take advantage of the fact that a label had come off a can of cat and dog food, or that a mistake had been made in the labelling machine, and sell this cat and dog food for human consumption.

Mr. Gardiner: The subclause that is taken out reads:

> No person shall sell or have in possession for sale a meat product that is unhealthy or unfit for food.

That is the same provision that is contained in the Food and Drugs Act of the Department of National Health and Welfare. Paragraph (c) reads:

> Respecting the marketing, treatment or disposal of meat products that are unhealthy or unfit for food.

That is also covered by the Food and Drugs Act.

Mr. Martin: Not better, but just as good administration.

Mr. Charlton: You would not have jurisdiction in that case anyway. This paragraph does not mention exporting out of the province. It is just a blank paragraph. You would not have any jurisdiction anyway, in two of the cases.

Mr. Gardiner: This is taken out by request because it is already provided for in the Food and Drugs Act.

Amendments agreed to.

Clause as amended agreed to.

Clauses 9 to 13 inclusive agreed to.

On clause 2—*Definitions.*

Mr. Bryce: Who will be the inspector? Will it be a veterinary surgeon or somebody appointed by the government?

Mr. Gardiner: We have two kinds of inspectors; we have a veterinary inspector and a lay inspector. They are all appointed by the civil service commission.

Mr. Low: Were there amendments to clause 2?

The Deputy Chairman: May I ask the Minister of Agriculture whether it is the intention to move an amendment to clause 2?

Mr. Gardiner: We are looking for it.

Mr. Martin: We are just having a caucus.

Mr. Knowles: The Minister of National Health and Welfare is giving free legal advice.

Mr. Martin: Mr. Chairman, after our caucus we have decided that the words "section 7" in clause 2 (b) be changed to "section 6". Clause 2 (b) reads:

> "inspector" means a person appointed or designated as an inspector pursuant to section 7.

It should read "pursuant to section 6" because the inspectors are appointed under section 6. I move the amendment.

Amendment agreed to.

Mr. Pallett: What about the definition of "meat product"? Are you leaving that as it is?

Mr. Gardiner: I think it is all right as it is and my legal friend agrees with me.

Mr. Lennard: That does not say that it is right.

Mr. Johnson (Kindersley): Why should this be under agriculture at all? Would it not more properly be under the Minister of National Health and Welfare?

Mr. Gardiner: We have just been taking out the sections that should be under the Department of National Health and Welfare.

Clause as amended agreed to.

Bill reported.

AGRICULTURAL PRODUCTS

MEASURE TO ESTABLISH NATIONAL STANDARDS AND REGULATE TRADE

Right Hon. J. G. Gardiner (Minister of Agriculture) moved that the house go into committee on the following resolution:

> That it is expedient to introduce a measure to establish national standards for agricultural products and to regulate international and interprovincial trade in agricultural products and to provide that the governor in council may make regulations for the licensing of dealers to deal in any agricultural products shipped from or to a place outside the province in which such dealer carries on business, and for the issue, cancellation and suspension of such licences, including the prescribing of fees for the issue thereof.

Motion agreed to and the house went into committee, Mr. Applewhaite in the chair.

Mr. Gardiner: Mr. Chairman, at the present time there are five statutes prescribing national standards and grading requirements for various agricultural products. These statutes are the Canada Dairy Products Act, 1952; Fruit, Vegetables and Honey Act, 1952; Live Stock and Live Stock Products Act, 1952; Meat and Canned Foods Act, 1952; and the Maple Products Industry Act, 1952.

The purpose of the new act is to provide acceptable, uniform authorities for establishing grade standards and to perform the grading and inspection for all agricultural products previously covered by five separate acts administered by the Department of Agriculture.

The new general act is patterned after the Canada Dairy Products Act enacted in 1951 which has proven satisfactory for dairy products. It provides authority for establishing substantially the same regulations as now exist but is considered to have the purposes and intentions more clearly defined and restricted to the established and accepted field of federal jurisdiction specifically related to grade and quality standards for agricultural products.

The act will provide as in the past for the actual grading of certain products by federal graders, and for others, the application of the established grades and standards by the trade with subsequent checking of the applied standards by federal inspectors and detention until they are made to comply with the official standards when found necessary.

The provisions of the act will apply where the products enter into interprovincial or export trade, or where, as a result of legislation on the part of a province or the voluntary action on the part of an individual, the product bears a grade name established pursuant to this act. Compulsory grading of a product moving intraprovincially will therefore depend upon action by the provinces.

In addition to defining standards and carrying out the grading and inspection operations, the act provides as in the past for regulatory services with respect to such matters as packaging, marking and shipping of products, operation of grading establishment and dealing in products exported from or imported into a province.

It will be noted by the hon. member for Selkirk that what he was talking about is really provided for in this legislation.

Mr. Charlton: Mr. Chairman, the minister has given us a good explanation of what is to come in the bill which is to cover the legislation now to be found in five different acts. I do not think there is need for any general discussion until we have the bill and see what it actually contains. However, there are a few remarks I should like to make at this time.

I am not saying that it is not a good idea to have farm products graded, but the fact is that while everything a farmer sells is sold under grade not many of the articles he buys are sold in that way. There are many consumer products sold across this country which are not graded in any way. They are supposed to be marked, but the contents may not be fully graded. For instance, you cannot tell by looking at a shoe whether or not the sole is all leather.

An hon. Member: Or cardboard.

Mr. Charlton: You have to try to grade such an article yourself at the time you purchase it. I think it would be good business on the part of this government to see that other products are sold to the consumer under grade.

Mr. Nicholson: Mr. Chairman, I was very much interested in the comments made by the hon. member who has resumed his seat. He may not be aware of the fact but he is advocating some social planning. He does not want to interfere with free enterprise, but under free enterprise we have some inferior products being marketed. I am all for that, but that really is not why I rose to speak.

About 20 years ago we had quite an extensive inquiry into price spreads and at that time it was found that consumers were at the mercy of many of the canning and processing companies. I had hoped that before now we would have a more uniform standard in Canada so that if you bought a can of vegetables marked "choice" you could expect a choice product. However, we do not seem to have made very much progress in getting uniform standards to apply to all preserving or canning companies in Canada.

When the people where I live sell their wheat it is subject to very rigid standards. Those who sell pork products must sell according to grade. As the hon. member for Selkirk has pointed out on a number of occasions, when a hog is one point lower than a certain standard the farmer must pay a heavy penalty. It is not unreasonable to ask that those engaged in canning or processing should observe certain standards.

Those of us who come from the west are in the habit of buying apples which are carefully packed and labelled. When you buy a fancy grade you know that when you open the box you will find exactly what you expect. But when we come to Ontario we find that unless we buy British Columbia apples we invariably get some inferior apples regardless of the price we pay. It seems to me that, if the farmers in one section of Canada are expected to produce a product according to fixed standards, the Minister of Agriculture should be able to report more progress than he has in seeing to it that in all parts of

Canada those who produce agricultural products would be encouraged to produce a uniform product, and those who are engaged in canning sell choice quality products in cans that are labelled "choice quality". In standard or choice canned goods, whether canned in the east, in the west or in the central part of Canada, there should be goods of similar qualities. At some time before the bill is passed I should like the minister to indicate what progress is being made in seeing that products which enter into international and interprovincial trade should measure up to standards which are applicable to all parts of Canada.

Mr. Low: Mr. Chairman, I do not think that the resolution will require long discussion. Certainly when the bill is brought up for second reading we shall have much fuller discussion on it, but it seems to me that this would be a good chance to ask the minister if his proposed bill does provide some protection for livestock dealers in Ontario who have for years past been victimized by dealers in this way, that these dealers will pay a certain rate for feed grain and when the feed is delivered they find it has been adulterated and they have got an inferior quality. Quite a number of complaints have been registered in this house against that sort of thing, and unfortunately the blame is placed on the western farmer rather than on the unscrupulous dealer who is doing that sort of adulteration. I believe that a good deal of that is being done, not only in Ontario but also in British Columbia.

An hon. Member: It is not the farmer's fault.

Mr. Low: It is not the farmer's fault at all; that is well known. But I am wondering if the measure which is contemplated by this resolution does make provision for regulating that sort of thing.

Mr. Gardiner: As my hon. friend knows, grain marketing is not under my department; it is under the Department of Trade and Commerce. The wheat board, which handles this product, operates under the Department of Trade and Commerce, and so does the board of grain commissioners, and all the grading of grain and everything associated with that is under the board of grain commissioners and does not come under this bill. This bill deals with dairy products, fruit, vegetables, honey, livestock and livestock products, maple products, meat and canned foods. Those are covered by the five acts which are now being brought under this one.

Mr. Low: I listened very carefully when the minister read his list of matters which the act is supposed to cover, and I did not hear him mention grain and feed grains. That is the reason why I asked the question. It seems to me that, though the wheat board has control of the marketing of grains and though the wheat board comes under the Department of Trade and Commerce, it would be possible to have a measure brought in by my hon. friend's own department that would cover the licensing of dealers as he contemplates licensing dealers in other products, so that inspection and checking could be carried out perhaps through powers delegated to his inspectors from the Department of Trade and Commerce.

Mr. Gardiner: Unfortunately the condition is exactly the same in connection with the grain as it is in connection with the apples. My hon. friend from Mackenzie was speaking about buying apples in Ontario and buying them in Saskatchewan. We do not grow apples for sale in Saskatchewan. They grow a few in his part of the country, but very few apples are grown for sale in Saskatchewan. About the only person who grows them for sale, that I know of, is the hon. member for Swift Current-Maple Creek, who does not happen to be here tonight. So we buy our apples from outside the province, and all the apples we get are more or less under the control of the federal authority. The grading and inspection and that kind of thing are more or less taken care of. For example, here in the province of Ontario, I drive to Toronto and on the way back I see a stand at the side of the road and I stop to buy a pound of apples. I look at them to see if the grade suits me. But there is nothing we can do in this parliament to regulate that kind of trade. That is intraprovincial trade. When we try to regulate that by means of an act, the act, when it goes to court, is declared ultra vires. One of the reasons why we are putting through this legislation at the present time is to take out of the act some of those provisions that are in now which, if it ever came to court, would result in one or other of the five acts here proposed being thrown out and declared ultra vires.

Mr. Nicholson: With regard to canned vegetables produced in Ontario and sold all over Canada, is it not possible to enforce the regulations so that they would be up to standard?

Mr. Gardiner: They are covered by regulations which are provided for in this act.

Mr. Nicholson: It seems to me that there is a wide variation among the products put up by different canners in Canada.

Mr. Gardiner: I think that the bill really provides that the product has to be properly described on the wrapper that is on the package. If it is not properly described on the wrapper that is on the can or package, then action can be taken against whoever is responsible for that, the person who is selling it at the last point of delivery or the person who sold it to him, whichever is declared to be the case.

Mr. Nicholson: I wonder if the minister could have a uniform standard set for all over Canada, so that a product labelled "choice quality" would be the same in British Columbia as one would find in the maritimes, for fruit and vegetables which are canned and which go into interprovincial trade?

Mr. Gardiner: They are all graded uniformly and have been for years, but I quite agree with my hon. friend that when you buy a can of peas, for example, one can does not necessarily taste the same as a can put up by some other packer. I think that is what he has in mind, namely, that when you buy a product thinking it is grade A or whatever the top grade is, you ought to get a product that is always the same. I agree that in some cases you do not. Nevertheless it is described and comes within the qualifications that are put on the grade of the product. All the products are graded when they go into interprovincial trade or into international trade, but they are not necessarily all graded by us.

Mr. Charlton: Since the hon. member for Peace River has brought up the matter of grain going into Ontario, perhaps if the minister would look up his regulations he may find that they now have jurisdiction over mixed feeds. Some of the grains coming in could not be called mixed feeds; they could be called mixed seeds; but surely there is some way to regulate the matter.

Mr. Gardiner: There are regulations with regard to shipping in wheat seed and feed grains, and people can be prosecuted for breaking those regulations.

Mr. Charlton: That is with regard to seed grain.

Mr. Low: Am I to understand that it would be possible for some sort of breaking of the federal law governing the kind of thing I have mentioned and about which many dealers in the far western provinces have complained for years? If the matter cannot be handled under the Department of Agriculture, would it not be possible to have some measure brought in, say, by the Minister of Trade and Commerce that could regulate the grade?

[Mr. Nicholson.]

Mr. Gardiner: I am neither a lawyer nor a constitutional lawyer, but we have been dealing with this thing now for 20 years. My understanding is that when grain is shipped from the west to, let us say, Goderich or any other point in eastern Canada, it is shipped there and delivered to the individual who bought it. The transaction that took place between that individual and a farmer in Ontario is an intraprovincial transaction and the government of the province of Ontario or the legislature of Ontario can and do take action to regulate that kind of trade that takes place after that. Through the grading of grain in the west we can control what it is that is delivered to the person at any particular point. But after it gets to that point and is being delivered outside of there, whatever action is provided for is provided for provincially. If we attempt to deal with it we get into trouble.

Mr. Huffman: In view of what the hon. member for Mackenzie has just said with regard to the quality of British Columbia apples, I wonder how he can claim such high regard for B.C. apples that were recently found to be so inferior in Scotland. I believe that commodities grown and canned in southern Ontario are without peer. They will claim the attention of particular purchasers.

Mr. Tustin: I have listened with a great deal of interest to the hon. member for Mackenzie. I realize immediately that when he buys canned goods he does not even look at the label. There are three grades of canned vegetables, namely standard, choice and fancy, which is the best grade. Not only are these canned goods all inspected and graded but most of the products that go into the cans are graded before canning. Today in Ontario, under the Ontario marketing act, these products are graded when they go to the factory. I hear some of my hon. friends over to my left laughing.

Mr. Fulton: It is empty laughter.

Mr. Tustin: There is a staff of inspectors in Ontario and in the rest of Canada working under the Department of Agriculture. These inspectors go to these factories and inspect these goods frequently. But the point is this, and I come back to it again. There are three grades. If you buy the standard grade, you get the poorest quality. But if you want a real good grade, you buy the fancy grade. That is why there is such a great difference in the quality of the product. If you are going to buy canned goods, always look at the label and know exactly what you are buying.

Mr. Argue: I do not intend to enter into any discussion as to the relative merits of grades of agricultural products in Ontario as compared with agricultural products in any other province. I think this resolution now before us could be extremely important if the legislation introduced in fact carries out the suggestions made in this resolution. The resolution reads as follows:

> That it is expedient to introduce a measure to establish national standards for agricultural products and to regulate international and interprovincial trade in agricultural products and to provide that the governor in council may make regulations for the licensing of dealers to deal in any agricultural products shipped from or to a place outside the province in which such dealer carries on business, and for the issue, cancellation and suspension of such licences, including the prescribing of fees for the issue thereof.

I suggest that this resolution is sufficiently broad in scope that it should contain all of those resolutions and all of the powers that have been suggested from time to time by the farm organizations of this country when they have asked the government to establish legislation that would be governed by a board of livestock commissioners.

Some reference has been made to the Canada Grain Act and to the board of grain commissioners. Faulty and inadequate as that legislation may be, nevertheless it is vastly superior to any legislation we have had to date in Canada dealing with interprovincial and export trade in other agricultural products. While it is true that a feeder in Ontario may not be definitely certain as to the quality of the feed product when he buys it from a commercial organization, nevertheless if that farmer is able to purchase directly from the wheat board a quantity of grain which has been graded according to the standards of the Canada Grain Act and which has the stamp of approval of the board of grain commissioners, that feeder is assured of getting a quality product.

The trouble is not with the regulations under the Canada Grain Act. The difficulty is mainly not in the standards established under the Canada Grain Act. The difficulty is that so far the government has failed to adopt legislation that, with respect to feed that he purchases from a dealer, will guarantee to the eastern feeder the same standards as those that are provided for in the Canada Grain Act. I should like to see the government establish a board of livestock commissioners that will have the power to do all of the things mentioned in this resolution and additional things. I should like to see the standards that are set up for livestock and other agricultural products taken right back to the producer so that when the producer delivers a carload of beef to a packing company he is certain to obtain for that beef the grade and the price for that grade that may be finally approved by such a board of livestock commissioners.

In the legislation that is adopted I think it is important not only to see to it that proper standards are set up but to see that the benefits from those standards shall accrue to the producer. I should like to see this legislation carried even another step forward. I should like to see a national livestock marketing board or some type of national livestock selling agency so that the producers themselves may have some control over the buying and selling of their products. Certainly the resolution we have before us this evening is the type of resolution that would be of great benefit to the producers if properly enforced.

I am glad that the government at this time is consolidating acts so that the public may know what power the government has and what legislation it is actually using. When the minister is considering consolidation of acts, he might look at his act which is entitled "An act for the support of the prices of agricultural products during the transition from war to peace"; another act entitled "The Agricultural Products Board Act"; and a further act entitled "An act to provide for the marketing of agricultural products in interprovincial and export trade". That is a series of acts that certainly in many ways duplicate and overlap and it is a series of acts which, I may say incidentally, are little used. I therefore think it is a step in the right direction that the legislation is being consolidated. I should like to see the government go one step further and establish a board of livestock commissioners such as that suggested by the hon. member for Yorkton in his resolution under "Notices of Motions", to be found at page 15 of today's order paper and which reads as follows:

> That, in the opinion of this house, the government should take into early consideration the advisability of appointing a board of livestock commissioners in Canada for the purpose of regulating and controlling the assembling, grading, transporting, marketing and exporting of livestock and livestock products, and that such board should include adequate representation appointed on the recommendation of the producers' organizations.

If the resolution before us tonight were expanded to include the proposition advanced by the hon. member for Yorkton I think we would have legislation that would not only be more effective but legislation that has been requested by our many farm organizations.

Resolution reported, read the second time and concurred in.

Mr. Gardiner thereupon moved for leave to introduce Bill No. 411, to establish national standards for agricultural products and to regulate international and interprovincial trade in agricultural products.

Motion agreed to and bill read the first time.

YUKON QUARTZ MINING ACT

MEASURE TO REPEAL EXISTING LEGISLATION AND SUBSTITUTE NEW ACT

Hon. Jean Lesage (Minister of Northern Affairs and National Resources) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to repeal the Yukon Quartz Mining Act, chapter 301 of the Revised Statutes of Canada, 1952, and to make provision by means of a new act for all substantive rights relating to quartz mining in the Yukon, including the rights to stake and acquire mineral claims and leases, and to provide for certain modifications in the administration of the law.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Lesage: Mr. Chairman, the legislation to which this resolution relates is of an unusual character in parliament. Legislation on mining is normally provincial and a matter of provincial jurisdiction, but so far as the territories are concerned most matters of a provincial character are handled by the respective commissioners and councils. There is an exception though in the case of matters relating to natural resources. The natural resources of the Yukon and Northwest Territories are held by the federal government in the same way as the resources of the western provinces were held by the federal government before 1930. The resources of the soil and subsoil in the territories were originally governed by regulations established under the Dominion Lands Act which was passed in 1872 and which was replaced by the Territorial Lands Act in 1950.

There are two exceptions to the general coverage of the Territorial Lands Act. They are the Yukon Placer Mining Act which governs placer mining in the Yukon, and the Yukon Quartz Mining Act which covers quartz mining in the Yukon. The Yukon Placer Mining Act was passed in 1906. It was the governing act for placer gold development in the Yukon following the Klondike rush ten years earlier, and it still governs placer mining for gold near Dawson and elsewhere. There is no intention to modify the Yukon Placer Mining Act at this time.

[Mr. Argue.]

The Yukon Quartz Mining Act was passed in 1924. Prior to that time quartz mining was governed by regulations under the Dominion Lands Act, as all mining in the Northwest Territories is now governed by regulations under the Territorial Lands Act. The act of 1924 simply put in statutory form the regulations in force at that time. It provides no authority to make general regulations and there has not been any overall revision in the 31 years since it was passed.

But conditions have changed considerably since 1924. The development of the Yukon is proceeding at a steadily increasing pace. Conditions of mining and prospecting have changed, and there is no doubt that the act has become out of date in respect of many of its provisions which are of importance to mining in the Yukon. Some of the clauses in the present act are not capable of proper interpretation. Some others do not take into account many improvements that have been devised in recent years in the field of mining legislation, and some others are not as favourable to mining development as more advanced clauses existing in the legislation of several of the provinces.

In the intervening years since 1924 we have been shown a great many defects in the provisions and operation of the act. Revision is required, I submit, if unsatisfactory and out of date provisions are not to have a deteriorating effect on the development of the Yukon. The legislation contemplated by the resolution before the house is to achieve that revision. The original intention two years ago was to repeal the Yukon Quartz Mining Act entirely and to have quartz mining in the Yukon placed under the Territorial Lands Act, the same as mining in the Northwest Territories. It would have meant almost no statutory provisions and everything would have been covered by regulations of the governor in council.

A bill to achieve that purpose was placed on the order paper at the session of 1953-54, but it became clear then that there was considerable opposition in the Yukon to this course, and of course the hon. member for the Yukon did voice that opposition very strongly. The opposition was mainly to the abolition of statutory provisions. It seemed that most of the prospectors in the Yukon did not wish to have the entire regime, including substantive rights, subject to control by regulation. Because of that opposition and differences of opinion it was decided that the best course would be to have an impartial and expert examination of the situation by a qualified man with wide experience in mining in Canada. I took the

advice of the Department of Mines and Technical Surveys. I discussed the matter with various interested persons, including the hon. member for the Yukon, and I asked Mr. George Edward Cole if he would serve as commissioner. Mr. Cole has been in the mining industry in Canada for 53 years. He worked in the British Columbia, Ontario and Manitoba mining fields. He had overseas service from 1915 to 1919. In 1928 he was appointed chief inspector of mines for Manitoba and in 1930 was appointed director of mines for that province. He retired from that position in 1945. From 1941 to 1945 he was president of the association of professional engineers of Manitoba. He is a past president of the Canadian Institute of Mining and Metallurgy.

Mr. Cole interviewed most of the people in the Yukon who are interested in mining, as well as the mining people elsewhere in Canada. He spent some weeks in the Yukon and looked thoroughly into the whole situation. As I say, he discussed it with a number of people, including the hon. member for the Yukon, who has always shown a special interest in mining in his territory. Then, he submitted his report to me on June 18, 1954. I believe it is a very good report and has clarified the position considerably. When I was in the Yukon last summer I discussed the report personally with many of the mining and prospecting interests there. After these discussions, after studying the mining laws of the various provinces, and after thoroughly studying the report, I became convinced that Mr. Cole's recommendations were basically sound. The Cole report has, therefore, formed the basis of the new legislation to be introduced by this resolution.

Now, Mr. Chairman, since the Cole report forms the basis of the legislation I feel that the best course to follow would be to outline the recommendations which the report contains. I believe, however, this would be a good point to move the adjournment of the debate before I deal with the various points made.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue tomorrow with the business that I indicated on Friday night.

Mr. Green: When the minister announced the business of the house on Friday last, I asked him about the government notice of motion on the order paper providing for the establishment of a committee on atomic energy and research. At that time he replied he was not in a position to say when it would be put on for debate, but he would try to answer on Monday. The minister said nothing about it last night nor tonight.

I point out to him that on February 3 of this year the Minister of Trade and Commerce, in reply to a question asked by the hon. member for Macleod, as found at page 795 of *Hansard*, stated:

> —it is the intention of the government to propose a committee to study atomic energy as well as research generally.

Then, on March 29, the government placed on the order paper a motion to set up this committee. That is almost two months ago, yet we have no word as to when the government proposes to proceed with the setting up of this committee. I point out to the minister that he is hoping to get this house prorogued by the end of next month. I believe the time has come when the government should take steps to set up this committee, and I would ask the minister when it is proposed to move the motion.

Mr. Harris: All that the hon. member for Vancouver-Quadra has stated, Mr. Speaker, is quite correct. I feel I should point out, however, that what the Minister of Trade and Commerce said on February 3 was that we would propose a committee. Consultations were had after that with interested persons and the personnel obtained. Then, on March 29, a motion was put on the order paper. I believe everyone recalls that the minister concerned left for Australia within five or six days thereafter and only returned on May 5.

Since that time I have not found it possible to call this item, having in mind the fact that we have legislation on the order paper and we are still attempting to get legislation into the hands of the committee. I gave consideration to this a week ago, and at that time it did seem to me that if we hoped to bring the session to a close reasonably soon it would be necessary for the committees to complete their work rather than adding to their work. For that reason it seemed to me that, unless there was an urgent need for this committee at this session, it would be desirable not to call it. Now, this particular committee is not one that can be dealt with in one, two, three or four meetings or even in as many weeks. In the past there has been serious and leisurely consideration of these very important matters. On past occasions the committee has travelled outside of Ottawa, and I would expect it would if it were set up now.

Under the circumstances, I do feel it would not be desirable to proceed with this motion, unless as I have said there are reasons I have

not been informed about why we should proceed with it at the present time. However, if hon. members feel there are reasons I would be glad to hear them and consider the matter further later this week.

Mr. Green: During the session last year we were given to understand that a committee on atomic energy would be set up this year. This is a field in which there have been rapid developments in the last year. We now have intimations from members of the government that atomic energy is to be used for peacetime purposes and that private industry has been invited to participate. I think the minister is quite wrong when he intimates there is no hurry about this question. I suggest that this is one of the questions about which parliament should be informed. The purpose of having such a committee was to help keep members in touch with this development.

I urge upon him that the government proceed without any further delay to get the committee set up and at least get the work started. I think we could finish the work on atomic energy before the end of this session.

Mr. Harris: As I have said, I will consider all the representations that are made. I am informed that what my hon. friend says in the latter part of his remarks is not so, and it would not be likely that the atomic energy portion of the work of the committee could be completed in any reasonable time. However, I shall be glad to consider it and discuss it with him and any other members who may be interested.

Mr. Knowles: With regard to the business for tomorrow, do we go on with Friday night's list from the point we had reached or do we pick up any of the items that have been moved up a stage or two in the meantime? I think it may be more satisfactory if the minister would tell us, one, two, three, what he has in mind for tomorrow?

Mr. Harris: I do not know what my hon. friend has in mind. I have not been in the house for the last hour and a half.

Mr. Knowles: We have been making good progress in your absence.

Mr. Harris: Fine; I shall stay out from now on. I understand that we are dealing with the Yukon Quartz Mining Act. Then, we have the Prairie Farm Rehabilitation Act and the Blind Persons Act. I am delighted to know that my hon. friend thinks they will all be completed before six o'clock tomorrow night. In that event, I shall provide a further menu by saying that if hon. members will consent we will then take the estimates of the departments of post office and agriculture. If, however, there should be a debate on the motion to go into supply, I will indicate some matter of legislation for the remainder of tomorrow. Thursday and Friday we will take post office and agriculture.

Mr. Knowles: My question related to the matter of third reading of Bill No. 352 and second reading of the other bill in the name of the Minister of Agriculture. Those are the things we did while the minister was out.

Mr. Harris: What does my hon. friend want to take up tomorrow?

Mr. Knowles: I am not asking for anything but information. However, perhaps we can straighten it out tomorrow.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, May 25, 1955

The house met at 2.30 p.m.

RAILWAYS, CANALS AND TELEGRAPH LINES

CONCURRENCE IN TENTH REPORT OF STANDING COMMITTEE

Mr. H. B. McCulloch (Pictou) presented the tenth report of the standing committee on railways, canals and telegraph lines, and moved that the report be concurred in.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 380, respecting the Dominion of Canada General Insurance Company.—Mr. Hunter.

Bill No. 408, to incorporate Trans-Border Pipeline Company Limited.—Mr. Decore.

QUESTIONS

JOHN INGLIS CO.—SCARBORO PLANT

Mr. Hees:

1. Was the Scarboro plant built in 1952 by the John Inglis Company Limited purchased by the government of Canada?
2. If so, for what purpose was it purchased and what was the purchase price?
3. Has the said plant been sold by the government?
4. If so, to whom was it sold and what was the price agreed upon?

Mr. Blanchette:

1. The Scarboro plant under construction by the John Inglis Company Limited was purchased by the government of Canada in March, 1952, and construction was completed by the government as a capital assistance project.

2. The plant was constructed as a facility for the production of naval turbines at a total cost of $3,199,170 including the purchase price of $1,200,000 for the partially completed plant, but excluding manufacturing equipment.

3. The sale of the plant, excluding manufacturing equipment (to which the crown retains title), has been authorized by the government although the final sale agreement has not been executed.

4. The sale will be to the English Electric Company Limited, for operation by the John Inglis Company Limited, at a price of $2,823,539.

CENTRAL MORTGAGE AND HOUSING—APPROVALS REFUSED

Mr. Stewart (Winnipeg North):

1. In how many cases have Central Mortgage and Housing Corporation inspectors refused to approve the construction in houses where approval has been given to builders for loans?
2. What are the names of the builders?
3. What is done in these cases where the workmanship is condemned?

He said: Mr. Speaker, having received the information I want I would ask permission to have this question dropped.

Mr. Speaker: Dropped.

ARMED SERVICES—PAY ASSIGNMENTS

Mr. Stewart (Winnipeg North):

1. Are service personnel allowed to make assignments of pay in the form of savings to banks and other similar institutions?
2. Can such assignments be made to the Investors Syndicate or other similar investment companies?
3. Can assignments of pay be made to credit unions?
4. If not, for what reason?

Mr. Blanchette:

1. Yes.

2. Assignments can be made to the Investors Syndicate.

3. Yes, since May 12.

4. Not applicable.

OLD AGE SECURITY PAYMENTS, NOVA SCOTIA

Mr. Balcom:

How much money was expended during 1954 on old age security for residents of Nova Scotia?

Mr. Robertson:

Fiscal year 1954-55—$18,168,115.

TAHSIS, B.C.—CUSTOMS OFFICER

Mr. Barnett:

1. What salary is paid to the customs and excise officer at Tahsis, British Columbia?
2. Is this a full time or part time position?
3. If part time, what hours, and under what circumstances is this officer required to be on duty?

Mr. McCann:

1. The customs officer at Tahsis, B.C., is paid a salary of $2,910 per annum.

2. This is a full time position. Regular office hours are from 8.45 a.m. to 12.30 p.m. and 1.30 p.m. to 5.25 p.m.

3. See answer to No. 2 above.

R.C.A.F., MARITIME PROVINCES—GENERATING UNITS REPAIRED

Mr. Murphy (Westmorland):

How many auxiliary generating diesel and gasoline units of the Royal Canadian Air Force were sent from New Brunswick, Nova Scotia and Prince Edward Island to other provinces for overhaul and repairs in the years 1953 and 1954, or fiscal years 1952-53, 1953-54?

Mr. Blanchette:

New Brunswick

	Gasoline	Diesel
1953-54	10	—
1954-55	10	—

Nova Scotia

	Gasoline	Diesel
1953-54	15	1
1954-55	—	—

Prince Edward Island

	Gasoline	Diesel
1953-54	4	—
1954-55	5	—

Note: Records were not kept prior to 1953-54. Most of the above are small Homelite generator sets which are shipped for repairs to the Canadian agents in Montreal.

ARMED FORCES—DESERTERS, KOREAN WAR

Mr. Harkness:

1. From the start of the Korean war to March 31, 1955, what has been the total number of releases on account of desertion, or absence without leave: (a) from the navy; (b) from the army; (c) from the air force?

2. What was the largest number of men posted as deserters or A.W.L. at any one time and what was the date?

Mr. Blanchette:

1. The total number of releases for misconduct—illegally absent and not claimed for further service—during the period in question was: (a) Navy: 20; (b) army: 3,816; (c) air force: 153.

As at 31 March 1955, the total number of personnel listed as illegally absent over 21 days (90 days in the navy) was: (a) Navy: 154; (b) army: 1,021; (c) air force: 64.

2. The largest number of personnel listed at any one time as illegally absent over 21 days (90 days in the navy) was:

	Number	Date
Navy	154	31 March 1955
Army	4,917	30 September 1953
Air force	192	30 November 1953

[Mr. McCann.]

OLD AGE ASSISTANCE—OVERPAYMENTS

Mr. Purdy:

1. When a recipient of old age assistance payments is transferred to the old age security payroll and an overpayment is in existence or later discovered, does the treasury board in each case direct recovery of the overpayments from the pensioners old age security payments? If not, what are the exceptions?

2. By provinces, what is the number and amount of (a) overpayments fully recovered; (b) overpayments in the course of recovery by monthly deductions?

Mr. Robertson:

1. When a recipient of old age assistance is transferred to old age security and there exists an overpayment which the old age assistance authorities have been unsuccessful in recovering from the pensioner, they ordinarily report the case to the treasury board for an order to recover the amount outstanding by monthly deductions from old age security payments.

2. (a) As at April 30—

Province	Number of cases	Amount
Newfoundland	2	$ 60.00
Prince Edward Island	..	.....
Nova Scotia	5	159.10
New Brunswick	3	108.30
Quebec	106	10,956.42
Ontario	22	957.95
Manitoba	11	1,036.30
Saskatchewan	4	54.72
Alberta	9	453.77
British Columbia	11	415.66
Yukon and Northwest Territories	..	.....

2. (b) As at April 30—

Province	Number of cases	Amount
Newfoundland	15	$ 2,074.47
Prince Edward Island	1	70.00
Nova Scotia	57	9,357.45
New Brunswick	30	5,346.14
Quebec	358	73,929.39
Ontario	93	20,511.03
Manitoba	34	8,918.93
Saskatchewan	57	8,698.98
Alberta	38	10,026.77
British Columbia	40	10,501.04
Yukon and Northwest Territories	2	288.30

ASSISTANT GRAIN COMMISSIONER

Mr. Argue:

1. What is the name and address of the person appointed most recently as assistant grain commissioner, and what was the date of his appointment?

2. Who made the appointment?

3. What are the names and addresses of any person or persons who recommended the appointment of this man?

4. What were the terms of each such recommendation?

5. (a) Did the Minister of Trade and Commerce know what person was being appointed to the position at or prior to the actual appointment; (b) If so, did anyone recommend the person to the minister and, if so, who made the recommendation?

6. To whom did the person appointed apply for the position?

7. Was the application made verbally or in writing?

Mr. Howe (Port Arthur):

1. Mr. J. I. Hetland, 830 Temperance street, Saskatoon, Saskatchewan, effective April 18, 1955.

2. The government of Canada by order in council No. 1955-626, dated April 29, 1955.

3. The board of grain commissioners for Canada, Winnipeg, Manitoba.

4. Previous experience and availability.

5. (a) Yes. (b) Answered by No. 3.

6. To the board of grain commissioners and to the Minister of Trade and Commerce.

7. Verbally to both.

MOTIONS FOR PAPERS

CANADIAN BROADCASTING CORPORATION ACCOUNTS

Mr. Fulton:

For a copy of all correspondence, memoranda, etc., exchanged between the office of the Auditor General and the Canadian Broadcasting Corporation and/or the Minister of National Revenue, since January 1, 1950, relating to the accounts of the said corporation.

He said: Mr. Speaker, I have spoken to the Auditor General personally about this matter, and I am informed by him that a search of the files shows that the only correspondence and written representations dealing with the matter I have in mind is the letter which has now been tabled in the radio committee. Under the circumstances I would ask leave to withdraw the motion.

Mr. Speaker: Has the hon. member leave to withdraw this motion?

Some hon. Members: Agreed.

Motion withdrawn.

INCOME TAX BUILDING, WINDSOR

Mr. Diefenbaker:

For a copy of all letters and telegrams since the first day of January, 1950, which passed between any department of government and any corporation or person relating to negotiations for the purchase or acquisition otherwise of land required for income tax office premises in the city of Windsor.

NATIONAL REVENUE—DOCUMENTS SHOWN TO PREMIER OF ONTARIO

Mr. Diefenbaker:

For photostatic copies of documents in the possession of the Department of National Revenue concerning advances or payments made or given by John T. Drohan, since deceased, to James Dempsey sometime during the year 1951, which said photostatic copies were shown by the Minister of National Revenue to the premier of Ontario on or about April 26 or 27 last.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. McCann: Mr. Speaker, I shall have to oppose this motion and I wish to say with reference to it that I have already indicated to the house that I communicated certain information respecting the estate of the late John T. Drohan to the premier of Ontario in his capacity as provincial treasurer, under the agreement between the governments of Ontario and Canada, which has already been tabled in the house. That agreement provided for the exchange of information concerning provincial and federal succession duties.

By the terms of the Dominion Succession Duty Act I am under an obligation not to disclose any such information to anyone whomsoever who is not entitled by law to receive it. In this, as in all other matters, I have scrupulously refrained from disclosing such information to anybody not entitled by law to receive it. I therefore cannot be held responsible for recent publicity which has occurred in relation to what is alleged to be information lawfully disclosed by me.

In view of the express provisions of the Dominion Succession Duty Act I am unable to comply with the request now made of me that I disclose any such information to the house or any committee of the house. Because of the statutory bar the government has no option but to oppose this motion and also the motion of the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Speaker: Does the hon. member allow his motion to be dropped, in the circumstances?

Mr. Diefenbaker: No.

The house divided on the motion (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss	Castleden
Argue	Charlton
Balcer	Churchill
Bell	Coldwell
Bennett, Miss	Diefenbaker
Bryce	Dinsdale
Cameron (Nanaimo)	Drew
Campbell	Dufresne

Ellis	Monteith
Fairclough, Mrs.	Montgomery
Ferguson	Murphy (Lambton West)
Fleming	Nesbitt
Fulton	Nickle
Gillis	Noseworthy
Green	Nowlan
Hamilton (Notre Dame de Grace)	Pallett
Herridge	Pearkes
Howe (Wellington-Huron)	Regier
Johnson (Kindersley)	Robinson (Bruce)
Jones	Small
Knight	Stanton
Knowles	Starr
Macdonnell	Stewart (Winnipeg North)
McBain	Thatcher
McCullough (Moose Mountain)	Trainor
McGregor	Tustin
Mitchell (London)	White (Hastings-Frontenac)
	Zaplitny—55.

NAYS

Messrs:

Anderson	Houck
Applewhaite	Huffman
Ashbourne	Hunter
Balcom	James
Batten	Johnston (Bow River)
Blackmore	Jutras
Blanchette	Kirk (Antigonish-Guysborough)
Boisvert	Lafontaine
Brown (Brantford)	Langlois (Berthier-Maskinonge-Delanaudiere)
Brown (Essex West)	Lapointe
Bruneau	Lavigne
Buchanan	Leboe
Byrne	Leduc (Gatineau)
Campney	Leduc (Verdun)
Cannon	Lefrançois
Cardin	Legare
Caron	Lesage
Carrick	Low
Carter	MacDougall
Cauchon	MacEachen
Cavers	MacKenzie
Crestohl	Macnaughton
Croll	McCann
Dechene	McCubbin
Denis	McCulloch (Pictou)
Deschatelets	McIlraith
Deslieres	McIvor
Dumas	McLeod
Dupuis	McMillan
Enfield	McWilliam
Eudes	Mang
Fairey	Martin
Fontaine	Masse
Forgie	Meunier
Fraser (St. John's East)	Michaud
Gagnon	Mitchell (Sudbury)
Gardiner	Monette
Garland	Murphy (Westmorland)
Garson	Patterson
Gauthier (Lake St. John)	Pearson
Gauthier (Nickel Belt)	Philpott
Gauthier (Portneuf)	Pickersgill
Gingras	Pinard
Gingues	Pommer
Goode	Poulin
Gour (Russell)	Pouliot
Gourd (Chapleau)	Power (Quebec South)
Habel	Power (St. John's West)
Hahn	Proudfoot
Hanna	Prudham
Harrison	Purdy
Healy	Quelch
Henderson	Ratelle
Hollingworth	Reinke
Holowach	Richard (Ottawa East)
	Richard (St. Maurice-Lafleche)
	Roberge
	Robertson
	Robichaud
	Robinson (Simcoe East)
	Rochefort
	Rouleau
	St. Laurent
	Schneider
	Shipley, Mrs.
	Simmons
	Sinclair
	Stick
	Stuart (Charlotte)
	Thibault
	Thomas
	Tucker
	Valois
	Villeneuve
	Vincent
	Weaver
	Weir
	White (Waterloo South)
	Wylie
	Yuill—135.

[Mr. Diefenbaker.]

NATIONAL REVENUE—DOCUMENTS SHOWN TO PREMIER OF ONTARIO

Mr. Knowles:

For a copy of any photostats or other reproductions or facsimiles of any documents sent or shown to the premier and/or provincial treasurer of Ontario by the Minister of National Revenue at any time since April 25, 1955.

Mr. Speaker: The hon. member for Winnipeg North Centre will perhaps be good enough to tell me whether he does not consider that his motion is substantially the same as that which has just been voted upon by the house.

Mr. Knowles: Mr. Speaker, there are certain differences between them, but substantially they are the same. Since my motion would probably meet with the same fate I might as well leave it to Your Honour to deal with as you wish.

Mr. Speaker: If hon. members will read this motion and the previous one they will see that the language is almost identical, except that the hon. member for Prince Albert asks for documents since April 26 or 27 while the hon. member for Winnipeg North Centre refers to documents since April 25.

That is about the only difference. Since the hon. member was kind enough to indicate to me that it was substantially the same, I merely invoke citation 325 of Beauchesne's third edition, which is to this effect:

A motion or amendment cannot be brought forward which is the same in substance as a question which has already been decided, because a proposition being once submitted and carried in the affirmative or negative cannot be questioned again but must stand as the judgment of the house.

Therefore I declare the motion to be out of order.

WESTERN FLOODS—REQUESTS FOR ASSISTANCE

Mr. Diefenbaker:

For a copy of all correspondence and telegrams, since the 1st day of May, 1955, received by any department of government from provincial governments, rural municipalities and local improvement districts, requesting assistance and compensation for the flood losses in Saskatchewan and Manitoba, and the replies thereto.

Mr. St. Laurent: There is no objection to the production of all these documents, but I should like to make two observations. First, we would send the usual courtesy communications to the governments which have written to us to ascertain if they have any valid objection to the production of what they have sent us. Second, in producing the documents we will not try to determine whether they constitute requests for assistance and compensation, but will file all those that refer to the damage caused by storms since May 1, 1955.

Mr. Diefenbaker: That is agreeable.

Mr. Speaker: The motion will carry, subject to the observations made by the Prime Minister.

Motion agreed to.

NATIONAL REVENUE

ALLEGED RELEASE OF INFORMATION—DOCUMENTS SHOWN TO PREMIER OF ONTARIO

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask a question of the Minister of National Revenue arising out of the statement he made earlier today. Did the photostatic copies of documents to which he referred and to which the motion referred deal only with matters covered by the succession duty act? Were those documents in the possession of the department or the executors of the Drohan estate?

Hon. J. J. McCann (Minister of National Revenue): As I have received no notice of this question I shall take it into consideration.

Mr. Stanley Knowles (Winnipeg North Centre): May I ask a supplementary question, of which notice may be considered to have been given on May 9. Will the minister say when he will be in a position to answer my questions which have been on the order paper since the 9th of May, and which appear as No. 5 today?

Mr. McCann: Question No. 5 will be answered in due course.

EFFECT OF FEDERAL-PROVINCIAL AGREEMENTS

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Prime Minister if in the light of the statement made earlier this afternoon by the Minister of National Revenue it is the view of the government that agreements entered into between the federal and provincial governments can have the effect of overriding the provisions of federal legislation such as the succession duty act?

Right Hon. L. S. St. Laurent (Prime Minister): No agreement could have the effect of overriding the provisions of the succession duty act, but there is a special section in that act providing for the making and implementing of such agreements.

INQUIRY AS TO CONSIDERATION OF DEPARTMENTAL ESTIMATES

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): May I ask the Prime Minister if it is the intention of the government to bring down the estimates of the Department of National Revenue before the Ontario election is over?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I cannot answer that question. Arrangements for the order of business in the house are being made by the leader of the house in conference with representatives of other groups in the house. I shall bring the hon. member's question to the attention of the Minister of Finance, who is acting as house leader, and ask him if he will give the hon. gentleman an answer.

INCOME TAX—DEDUCTION OF CONTRIBUTIONS TO POLITICAL ORGANIZATIONS

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to ask the Minister of National Revenue if any of the district officers of the income tax department are allowed to permit the deduction for income tax purposes of contributions to political organizations or political candidates?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, the answer is no. Political contributions can be made. The donor of those pays the tax, and they are not deductible expenses in his hands, nor are they revenue if they go through the proper channels to the person who receives them.

COAL

REPORTED CLOSING OF NOVA SCOTIA MINE—INQUIRY AS TO RESULT OF RECENT MEETING

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): May I ask the Minister of Mines and Technical Surveys if he will inform the house

whether any progress was made at the conference held in Halifax on May 20 in regard to keeping 1-B colliery at Glace Bay, Nova Scotia, operating after May 30; and second, was any progress made in regard to securing additional markets for the Nova Scotia coal industry?

Hon. George Prudham (Minister of Mines and Technical Surveys): Mr. Speaker, I wish to thank the hon. member for Cape Breton South for giving me notice of his intention to ask this question.

At the invitation of the government of Nova Scotia a meeting was held in Halifax on Friday, May 20, with the premier of Nova Scotia in the chair, to review the problem presented by the closure of No. 1-B colliery at Glace Bay. My hon. colleague the Minister of Public Works (Mr. Winters), the hon. member for Inverness-Richmond (Mr. MacEachen), and I attended this meeting, accompanied by officials of the Department of Labour and the dominion coal board. Also present were representatives of the provincial government, the executive of district 26, united mine workers, and executive officers of the Dominion Coal Company.

The problems of finding markets for the coal from this and other collieries of the area were most carefully studied. The effect on the market for coal of imports of low cost residual fuel oil was reviewed, and the possibility of developing additional outlets for coal was thoroughly canvassed. The effects on the life and economy of the area of the projected closure were brought out, and the problems of finding alternative employment for over 700 miners affected were stressed.

The meeting was investigatory only, and I can report that factors that could have a bearing on this difficult situation were brought forward and carefully examined. One promising line of investigation having to do with markets abroad was developed and is being intensively pursued at the present time by the Dominion Coal Company, the dominion coal board and officers of the Department of Trade and Commerce.

If successful this may enable the company to maintain this colliery in operation without causing additional difficulties in the marketing of coal from other collieries in the province. I expect to be able to report upon this at a later date, possibly when the estimates of the dominion coal board are before the committee; but since the negotiations are presently under way I would prefer to avoid being more specific at the present time.

[Mr. Gillis.]

EXTERNAL AFFAIRS

REFERENCE TO RECENT VISIT OF NATO COUNCIL TO MONTREAL

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the minister of external affairs. Will the minister state why a press release having to do with a visit to Montreal by the permanent representatives to the NATO council last Sunday and Monday was apparently released at noon on Wednesday, May 18, but was sent to members of this house only today? Second, has the minister any statement to make with respect to the significance of this visit and its results?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, as to the first point raised by the hon. member I shall look into the matter to see if the facts as alleged are correct. If they are found to be so I shall inquire the reason for the delay.

As to the second question, I can only say that it was a routine visit of the permanent North Atlantic Treaty Organization council to inspect certain defence establishments in the United States and around Montreal. There is nothing I can report beyond that. If any report is to be made it will be made by the council when it returns to Paris.

INQUIRY FOR RETURN

NORTHWEST TERRITORIES—APPOINTMENT OF CROWN ATTORNEY

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of Justice if he could indicate when he expects to be able to table the correspondence between himself and Mr. Parker relating to the position of crown attorney for the Northwest Territories, for which an order was passed some time ago.

Hon. Stuart S. Garson (Minister of Justice): Very shortly; I should think probably tomorrow.

HIGHWAYS

SUGGESTED NATIONAL AUTHORITY TO COPE WITH DEATH TOLL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Will the government give consideration to a suggestion made at the national highway safety council conference that legislation be enacted to make

possible a national authority to cope with the terrific death tolls taking place on our highways?

Right Hon. L. S. St. Laurent (Prime Minister): That is a matter which will certainly receive consideration, but at first blush it would appear to require an amendment to the constitution to give parliament the right to legislate in any way except in the field of criminal law with regard to highway traffic.

HOUSE OF COMMONS

PROVISION OF RECREATION SPACE FOR PAGE BOYS

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, on a question of privilege, having regard to the health and physical fitness of the page boys I wish to thank the Minister of Public Works for granting us a green spot in which to keep fit. The minister thinks boys are more valuable than grass, and my point of privilege is that it was on this same spot a year ago tomorrow when we lost our great Christian athlete, "big Lionel".

YUKON QUARTZ MINING ACT

MEASURE TO REPEAL EXISTING LEGISLATION AND SUBSTITUTE NEW ACT

The house resumed, from Tuesday, May 24, consideration in committee of the following resolution—Mr. Lesage—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to repeal the Yukon Quartz Mining Act, chapter 301 of the Revised Statutes of Canada, 1952, and to make provision by means of a new act for all substantive rights relating to quartz mining in the Yukon, including the rights to stake and acquire mineral claims and leases, and to provide for certain modifications in the administration of the law.

Mr. Lesage: Mr. Chairman, at the adjournment last night I was about to outline the recommendations of Mr. Cole, which formed the basis of the legislation which this resolution seeks to introduce. The first recommendation is that there should be no change in the placer mining act at this time. I have already mentioned this last night.

The second recommendation deals with the question of whether quartz mining in the Yukon should be governed by statute or regulation. Mr. Cole recommended against the original plan to cover mining in the Yukon entirely by regulation. He stated that the Yukon mining fraternity wanted to have the essential privileges of prospectors safeguarded by statutory provisions. The recommendation of Mr. Cole was as follows:

I therefore recommend that the rights of the prospector to prospect and stake claims anywhere in the Yukon Territory be protected by statute and that all administrative procedures of such prospecting and staking, including the number and size of claims, the method of staking, the use of cairns, the recording of claims, the granting of leases and all other matters connected with the disposal of mining rights should be provided for by regulations.

The bill has been drafted along those lines. All the substantive provisions of the present act are covered by sections of the bill to be introduced. The administrative procedures will be provided for by regulation of the governor in council. The result will be to give full and adequate protection to all matters of substance. Such matters cannot be changed without an act of parliament.

As a matter of fact we shall have put rather more into the statute than Mr. Cole recommended. For instance, in the act will be a provision as to the number of claims that can be staked, a provision as to the size of claims, and much of the procedure of an important character with regard to the recording of claims will also be in the act. This is to ensure full protection to the Yukon prospectors.

I want to give the assurance that the placing of procedural matters in regulations will not in any way endanger the privileges now enjoyed by prospectors. I wish to stress that only the detailed procedures of administration will be governed by regulation. The compromise recommended by Mr. Cole and embodied in the bill will provide for flexibility in administrative procedures, but will assure protection of substantive rights.

Regulations in respect to the administration of natural resources are not new to the people in the Yukon Territory. The Territorial Lands Act is applicable to the Yukon. Lands, as far as surface rights are concerned, timber, oil and gas rights, quarrying, dredging for minerals, are all administered by regulations. One of the pertinent recommendations of Mr. Cole deals with the question of withdrawing areas from ordinary staking, and to grant reservations or concessions by public competitions. This is an important matter. The virtue of that procedure is that it enables an area that is capable of development only on a large scale and at high cost to be bid on by companies which have the resources to develop it.

An hon. Member: Are you talking about oil development now?

Mr. Lesage: I am talking about mineral development—quartz mining. The procedure

is often of distinct advantage for the development of a region. In answer to the hon. member for Yukon I might say that the Pine Point development is a good example of the necessity at times of granting so-called concessions. The Pine Point concession in the Northwest Territories is really much too large to be developed by small holders, and it is susceptible of development only on a very large scale. The granting of reservations or concessions often encourages capital and enterprise to come into a region. However, there has been and there is considerable opposition in the Yukon to the governor in council having any right to grant concessions or reservations.

Mr. Cole recommended:

> I believe that a healthy condition exists in the Yukon in so far as the individual prospector is concerned and that the time has not yet come when "the governor in council should be given the right to withdraw areas in the Yukon Territory from ordinary staking or to grant reservations or concessions by public competition."
>
> I would recommend that the granting of reservations or concessions be reviewed if and when conditions change.

Since, as I have said, in this new bill we are following the recommendations of the Cole report, the bill to be introduced consequently contains no provision to enable concessions or reservations being granted. This is also due to the objections we have received from the prospectors in the Yukon, and to the objections that were very strongly made by the hon. member for Yukon himself.

The fourth recommendation of the Cole report deals with the method of staking. Under the present act claims staked in the Yukon require only two posts to be marked; that is to say, a location line is established. The rest of the claim is supposed to be a square based on that line. All corners of the claim are not marked on the ground. The so-called two-post staking or single-line staking is such that the boundaries of the claim are not marked.

An important question referred to Mr. Cole was whether this should be done away with and four-post staking substituted. Four-post staking requires the marking of all four corners of a claim and the establishment of all four sides. As a matter of fact, only the Yukon, British Columbia and Alberta now have two-post staking. The Northwest Territories and all other provinces have four-post staking. If we go across the border we find that Alaska, Utah, Colorado, Oregon, Nevada and many other states have four-post staking or even more than four-post staking, and require all boundaries to be marked.

There are some prospectors in the Yukon who are much attached to the two-post staking. I know the hon. member for Yukon disagrees with Mr. Cole on that score and I expect him to give reasons for two-post staking.

Mr. Simmons: I am not the only one, Mr. Chairman.

Mr. Lesage: But that does not mean the hon. member is right, sir. The disadvantages of two-post staking are certainly very great. There is no doubt about that. That is the reason it has generally been done away with. The greatest defect is that it does not adequately mark a claim and so it leads to overlapping and confusion, and to "fractions". One has only to look at a survey chart to see that this is true. It makes the maintenance of accurate records and claim sheets virtually impossible. The situation has been pictured to me by a leading man in the mining industry in Canada recently as being so bad that he said he would not consider buying a Yukon mining claim without surveying it as well as all neighbouring claims.

Mr. Green: Does that apply to British Columbia as well?

Mr. Lesage: He said in the Yukon, in conversation with me.

Mr. Green: There is the same law in British Columbia.

Mr. Lesage: He said he could have no assurance that the claim he might buy would not be covered or overlapped by another valid registered claim. To quite an extent, I am told—even though I do not have to discuss it here—that the situation parallels that in British Columbia, because they have only two-post staking.

Mr. Green: He did not know much concerning what he was talking about.

Mr. Lesage: Maybe he did not, but he has been in the mining industry all of his life.

Mr. Hamilton (York West): Can the minister tell us where this authority carries on his business?

Mr. Lesage: In the Yukon. He has interests in the Yukon, but his claims there were surveyed a long time ago. He said he thought the situation was detrimental to mining development in the Yukon. Mr. Cole went into that question of four-post and two-post staking very fully, and I believe it is worth putting on record his recommendation and his conclusion on that score:

> In the final analysis the strongest argument used in favour of two-post staking is that it is better adapted to the rugged western terrain. In fact, it is about the only reasonable argument offered. That it is easy, simple and quick is hardly acceptable where a matter of acquiring title to mineral

land is involved. And with changing conditions in the acquisition of mineral claims, the fact that the two-post method has been used for years does not measure up to modern needs. Nor is the four-post staking any more difficult to understand than the two-post method, although it must be admitted that it demands more work. All of which prompts the inclusion of a question asked by a prospector, "Do you want to do it right or do you want to do it easy?"

I am still quoting Mr. Cole's report:

I am of the opinion that four-post staking can be and should be used in the Yukon Territory despite the many areas of rugged terrain.

I am convinced further that if the prospecting fraternity of the Yukon accept the four-post staking as an endeavour to improve the prospector-purchaser relations in their territory, it should stimulate the interest of those financially able to develop the mineral resources of the Yukon, to the mutual advantage of all concerned.

The present Yukon Quartz Mining Act, section 26, has provisions for the staking out of a claim "in case it is found impossible, owing to the presence of water or other insurmountable obstacle to set post No. 2 in its proper position . . ." etc.

I am confident if study be made of this provision for witness posts then an effective plan can be devised for four-post staking.

However, some suggestion has been made that the two-post staking could be used in some areas and the four-post in others. This would not be a compromise, rather would it lead to more confusion.

In my opinion it is one method or the other, and I have expressed myself as being in favour of four-post staking.

The bill does not include a clause dealing with the method of staking. It will not be in the bill. This is, as the Cole report recommends, a procedural matter. However, as it is a question of importance I wish to make clear now what the Cole report says and what is the intention as to what will be the regulations and what will be in the new act.

The fifth recommendation of the Cole report had to do with the surveying of claims. I quote the recommendation:

I am of the opinion that the minister should have the right to demand that an unsurveyed claim be surveyed within a reasonable time—depending on the circumstances that may arise.

The new act will provide for this. The old act also provided for the same thing.

The sixth recommendation deals with the requirement to take out leases. The present act does not require leases to be taken out after any specified period or even before substantial mining operations occur. We do not believe it is satisfactory to have claims remaining simply as claims indefinitely. In his report Mr. Cole recommended:

A limit of ten years after the recording of a claim be set as that at which a claim holder should take out a lease.

And in order that those presently holding claims may be brought to comply with a time limit, such as may be applied to future claim holders, I would suggest further that present claim holders be given a period of ten years—from, say July 1, 1954 (or such other date as may be found advisable), to take out leases so that all claim holders may be on the same basis.

The bill will provide accordingly.

I have now given a brief summary of the recommendations of the Cole report. I have gone into them in detail because they form the basis of the proposed legislation. I wish to emphasize, however, that they are not simply the views of one man. Last night I cited the great experience of Mr. Cole, one of the best qualified men in Canada to give an expert opinion on these questions.

Mr. Simmons: May I interrupt the minister? What does Mr. Cole know about mining in the Yukon? I should like to know that.

Mr. Lesage: He has been concerned with mining in British Columbia and two or three other provinces. He made a special study of mining in the Yukon when he was appointed, with the approval of the member for Yukon, with whom Mr. Cole discussed the matter personally to his great satisfaction. The hon. member for Yukon expressed his dissatisfaction only when he noticed that Mr. Cole's report did not give expression to all his opinions on the matter.

Mr. Simmons: May I interrupt the minister? The minister intimates that I knew all about Mr. Cole's appointment long before the appointment was made. I did not know a thing about it until after the appointment was made. I did have an interview with Colonel Cole and found him to be a very fine gentleman, but I did not know at that time he was a proponent of four-post staking and a series of regulations without the stability of an act. I have changed my mind completely.

Mr. Lesage: I just wish to say that in making his report Mr. Cole did not do so as a proponent of four-post staking. His recommendations included four-post staking in the Yukon for the various reasons he gave in his report, not because he was a proponent but because after having studied the matter he felt that should be the method of staking in the Yukon and would be of great benefit there.

I do not want to enter into a discussion at this time. When the bill has been read the first time, distributed to interested parties and received second reading, I shall propose that it be sent to a committee where all interested parties can be heard and the matter can be discussed. I have an open mind. I do not believe I can be accused by anyone in the house of having anything but an open mind. I am open to conviction at all times.

What I wish to say, though, is that up to now I have not been convinced that Mr. Cole was wrong.

I also wish to emphasize that the views expressed by Mr. Cole are not the only ones on which we have relied. The department has received a great many representations on various subjects, and this is to the knowledge of some members of the house. As I said last night, in the session of 1953-54 a bill was presented to the house which would have brought quartz and placer mining in the Yukon under the regulations established under the Territorial Lands Act, as is the case in the Northwest Territories. Considerable opposition was voiced to that way of proceeding, and it was for the purpose of trying to break the deadlock that, after consulting people who know a lot about mining in Canada and my colleague the Minister of Mines and Technical Surveys, Mr. Cole was appointed to give an expert opinion. We now have the expert opinion and we believe it is sound.

Mr. Cole is not the only man who has advanced ideas, and the bill to be introduced follows the recommendations that have been made. That will be a very good basis on which the committee can go to work to consider these technical matters, and they can be discussed there without anyone getting mad at anybody else. I am concerned with what is in the best interests of the Yukon. That is really what we have at heart, and what we want to do is further the development of the Yukon. As I said, the views in the report have been adopted not only because they are those of Mr. Cole but also for other reasons, among them being the fact that they are in accord with mining experience elsewhere in Canada—

Mr. Herridge: Not in British Columbia.

Mr. Lesage: No?

Mr. Herridge: No.

Mr. Lesage: —and also in the northwestern states of the United States and Alaska where, as an example, you not only have four-post staking but six or seven-post staking.

Mr. Herridge: They want to change to the British Columbia system.

Mr. Lesage: Some may like to change but others do not want to change. It is a very difficult question and one that I believe should be discussed in the committee where expert advice can be had. That is why I shall propose later that the bill be sent to a committee. It is a highly technical matter and really one for committee discussion.

[Mr. Lesage.]

I leave the Cole report for the moment because it dealt only with a few matters of major policy. There are also a number of other provisions of the existing law which require modification. Apart from matters referred to in the report, the following are the principal new provisions in the proposed legislation. First, miners' licences will be required before claims can be staked and held. These are not now required. I discussed this matter with various persons, including my friends from the British Columbia and Yukon chamber of mines two weeks ago, and they agree with the proposal. That is at least one point on which we agree. There will be annual renewal of these licences, and free licences will be given to people who have prospected or owned claims in the Yukon for 25 years.

Mr. Simmons: They all have long beards already, without waiting 25 years.

Mr. Lesage: This provision is to please the member for Yukon. Second, the size of claims would be reduced from 51·6 acres to 40 acres.

Mr. Green: This is to be in the regulations?

Mr. Lesage: No, this will be in the act. Only strictly procedural matters will be covered by the regulations.

Mr. Simmons: But smaller claims will create far more fractions, and I thought that was what you were trying to get away from.

Mr. Lesage: I cannot agree with that for various reasons that I am ready to discuss at any time with the hon. member, but I do not believe we should take up the time of the house with such technical matters. The bill will go to a committee and I believe we can have a very good discussion there. But it is my duty to say what are the principles of the bill to be introduced. The number of claims that may be staked would be increased from 8 to 12. The reason for the change is to get claims to a size that will facilitate the preparation of claim sheets and maps, and make available to prospectors up to date information as to what land is open for staking.

The new claims will be 40 acres, and that has a great advantage to it. The sides of claims will be 1,320 feet, which means a quarter of a mile by a quarter of a mile, so if you take four claims together it will represent an area half a mile square. You do not run into fractions of acres. You can have fractions of miles, but they are divided evenly. Another advantage is that most claim

sheets and mining maps are on an inch scale and the change will assist in recording and mapping claims.

A third provision will have to do with the staking of additional claims where a discovery claim is located in a new area. This will be new to the Yukon. The purpose is to provide added incentive for the prospecting of new areas. A fourth aspect of the bill, not dealt with in Mr. Cole's recommendations, will provide that the amount of representation work to be done yearly on claims will be increased from $100 to $200. The $100 figure was set quite a number of years ago, in 1898. Surely, sir, work which was worth $100 in 1898 is worth more than $200 today.

Mr. Simmons: That is a good way to drive the little prospectors out of the country.

Mr. Lesage: The figure is certainly much too low. Let us see what is done elsewhere. The other provinces require much more work. In Newfoundland, for instance, it is 40 eight-hour days; in Nova Scotia, 80 days' work; in New Brunswick 45 days' work; in Quebec, 25 days' work for the first year; in Ontario, 40 days' work. Taking into account the higher prices in the Yukon, the requirement as to representation work in the Yukon is now the lowest in Canada.

Mr. Simmons: May I just interject—

The Chairman: Order.

Mr. Simmons: I have a note here which says that many prospectors feel there is a move on foot to put the individual prospector out of business by means of these unwelcome changes, such as the requirement for $200 worth of assessment work.

Mr. Lesage: I do not believe the hon. member will contend that if the requirement of $100 worth of work in 1898 did not drive the individual prospectors out of business, $200 worth will do it today. After all, $200 worth today represents much less work than $100 worth in 1898. Perhaps the hon. member is right, but the advice I received was that persons holding claims should not be able to simply sit on them.

Mr. Simmons: I do not think they do sit on them.

Mr. Lesage: I believe the $200 requirement will restore the work requirement to something like the amount which was involved when the act was passed in 1924, at which time it was left at $100 which was the figure established in 1898.

Now there will be an additional provision. Credit for representation work done prior to the recording will be allowed up to the value of $400. The sections respecting geological and geophysical work have been clarified, and credit of up to 10 years will be allowed, whereas it is now only three years. Finally, the royalty clause has been revised to take into account developments in mining and administrative practice in recent years. The general effect of this will be to reduce the royalty requirements slightly, which should assist mining in the Yukon.

I have given some of the more important changes that will be embodied in the new legislation. The bill will be quite lengthy, but I repeat that all substantive rights will be protected. The matter is complicated. As I said a few moments ago, in order to give a full opportunity to study the bill as well as a full opportunity for interested parties to present their views, at the appropriate time I shall propose that the bill be referred to the select standing committee on mines, forests and waters.

In the committee I intend also to bring forward the proposed regulations, which is not customary, in order that we may have a complete picture of the whole question and so all interested parties may make representations. Then the interested parties and members of parliament will together be able to provide the kind of mining law for the Yukon that will really be in the interests of the development of the Yukon. If we have to amend the bill, we will amend it.

Mr. Simmons: The minister has painted a very rosy picture, Mr. Chairman, of how this proposed legislation will benefit mineral resources development in the Yukon Territory, but I emphatically do not agree with him. It is quite evident that the government intend to introduce a bill that will completely revise the Yukon Quartz Mining Act, notwithstanding the fact that numerous protests and representations have been made by the mining fraternity and the people of the Yukon Territory for the retention of the present act, with a few minor amendments to bring it up to date.

Mr. Lesage: Not the people, but some people.

Mr. Simmons: It is all the same in the long run.

Mr. McCullough (Moose Mountain): I wonder if I might ask the hon. member what he means by "the mining fraternity"?

Mr. Simmons: I mean the mining industry in general; prospectors, mining scouts, engineers, everyone connected with the mining fraternity.

Mr. Byrne: And the miners' union?

Mr. Simmons: Yes, and the miners' union, too, if you want to know that. Let us take a look at the wording of this resolution. It seems to me it is very misleading. In other words, it is a lot of eyewash so far as I can see. Listen to it. It is all right to laugh now, but listen to this:

> That it is expedient to introduce a measure to repeal the Yukon Quartz Mining Act, chapter 301 of the Revised Statutes of Canada, 1952, and to make provision by means of a new act for all substantive rights relating to quartz mining in the Yukon, including the rights to stake and acquire mineral claims and leases, and to provide for certain modifications in the administration of the law.

I should like to impress upon hon. members that the existing Yukon Quartz Mining Act contains all the substantive rights and protection, including the right to stake and acquire mineral claims and leases. The crux of the resolution is contained in the last two lines, which read:

> . . . and to provide for certain modifications in the administration of the law.

That is the catch. Let me tell you, it does not pull the wool over my eyes. This most certainly means that we are going to have distasteful legislation forced upon us by the arbitrary enactment of a series of regulations, some of them covering procedures, as the minister just said, which will take away from the stability of the act. I am inclined to believe that the minister has been hoodwinked or ill-advised by his departmental officials, some of whom have probably never been in the Yukon unless possibly for a day or two on a Cook's tour.

Mr. Herridge: Never staked a claim.

Mr. Simmons: To be honest with you, I doubt if some of them would know the difference between a frying pan and a gold pan. For the last four years they have been trying to force distasteful legislation upon us.

Mr. Gillis: That is true of all mining.

Mr. Simmons: I am sorry to have to take this stand in opposition to the minister, for whom the people of the Yukon have a high respect. It is quite obvious that the proposed legislation will be based on the recommendations contained in the Cole report. A few comments on the Cole report might, therefore, be interesting and timely.

As the minister said last evening, last year Colonel George E. Cole of Winnipeg, Manitoba, was appointed by this government to report on matters concerning the administration of quartz and placer mining in the Yukon Territory. In his report dated Winnipeg, Manitoba, June 18, 1954, he makes five main recommendations. I shall just summarize these briefly, Mr. Chairman:

1. That to a large extent the Yukon Quartz Mining Act be eliminated and a series of regulations substituted therefor.

2. Areas of the Yukon Territory should not be withdrawn from ordinary staking to grant reservations or concessions.

We agree with him entirely on this point.

3. A system of four-post staking similar to that now in effect in eastern Canada and Alaska should replace the existing two-post, single line method now in effect in the Yukon and British Columbia.

4. A time limit should be set within which a claim owner must have his mineral claim surveyed.

5. A claim holder should be compelled to take out a lease within a reasonable period of time.

Colonel Cole suggests a limit of 10 years after the mineral claim has been recorded.

In all fairness, at the outset I might say that Colonel Cole is held in high esteem not only for his personal qualities but also for his many years of service to the mining industry. While holding my personal respect and admiration for Colonel Cole, I feel I would be remiss in my responsibilities if I did not state frankly my opposition to certain of his recommendations, which were probably preconceived by officials of this same department. In doing so I feel assured I am expressing the views of an overwhelming majority of people domiciled in the Yukon Territory.

These recommendations are most objectionable to at least 95 per cent of the people associated with prospecting and mining development in the Yukon Territory. Surely it is not the intention of the government to proceed with legislation that is contrary to the wishes of the great majority of the mining fraternity. I am most emphatically in agreement with the submissions of the British Columbia and Yukon chamber of mines, the Yukon territorial council, chambers of commerce, boards of trade and others.

Mr. Lesage: I am sorry to interrupt, but while the Yukon council did not agree completely with Mr. Cole's report, they did not object to the whole report.

Mr. Simmons: I shall bring that up later and read the resolution into the record.

In order to acquaint the house with the wishes of the various organizations and the people in the Yukon Territory I am going to quote several telegrams and letters I have received on the subject. These letters and telegrams will support my view that no changes in the present act, without the knowledge

and against the wishes of the united interests of the mining industry in the Yukon Territory, should be made. In other words we do not like to see an acceleration of the trend away from democratic procedure.

Mr. Herridge: You represent the people.

Mr. Simmons: That is what I intend to do.

Mr. Sinclair: Beware of Greeks bearing gifts.

Mr. Simmons: Let me answer the interjection by the hon. member for Kootenay West by quoting the words of Tennyson:

> Because right is right, to follow right
> Were wisdom in the scorn of consequence.

Here is a telegram from Frank E. Woodside, manager of the British Columbia-Yukon chamber of mines. It is as follows:

> Understand mining bill based on Cole report will be introduced shortly. One hundred per cent Yukon Territory prospectors favour present two-post staking method. Four-post method in Yukon definitely impractical. All prospectors absolutely opposed governing by regulations and strongly favour mining acts. Present Yukon Quartz Mining Act with few minor amendments considered most satisfactory. Prospectors would like to know what few people endeavouring force through these regulations against wishes practical Yukon mining people. Urge you do everything possible prevent passing this very unpopular legislation.

Mr. Herridge: You will get lots of help.

Mr. Simmons: Here is one signed by A. R. Hayes, Speaker of the Yukon territorial council. It will be understood that the Yukon territorial council is an elected body. In other words this resolution is the voice of the Yukon. It reads as follows:

> Whereas the Cole report has been widely read and studied by the people of the Yukon Territory and has met with great disapproval; and whereas the criticism of this report written by Dr. William V. Smitheringale has been given wide publicity throughout the territory and in the opinion of the council has met with the approval of the people of the territory:
>
> Now therefore be it resolved:
>
> That we, the Yukon territorial council now in session, strongly urge that the Hon. Jean Lesage, Minister of Northern Affairs and National Resources, place before the members of the House of Commons and have consideration given to the proposals of Dr. Smitheringale as set out in his submitted brief on the Cole report.

I have copies of Dr. Smitheringale's criticism of the Cole report. I would be glad to send a copy to anyone wishing to have it.

Mr. Green: Was that resolution passed unanimously?

Mr. Simmons: Yes, unanimously; but that does not mean anything to the people over there. Then here is one from the Whitehorse board of trade:

> Whitehorse board of trade has passed the following resolution condemning the Cole report and recommending Dr. Smitheringale's criticism and recommendations also that present Yukon Quartz Mining Act be retained with minor amendments as this act worked to the satisfaction of the mining fraternity since 1924. We are therefore opposed to four-post staking and regulations in any form as proposed in the Cole report.

Then I have a lengthy letter from the British Columbia and Yukon chamber of mines. I do not wish to take up too much time in debate, so I shall quote only the concluding paragraph which says:

> Our executive committee feels confident that by far the majority of prospectors and mining companies active in the Yukon Territory are satisfied with the existing Yukon Quartz Mining Act. No one appears to know just who the persons are that desire to scrap this "time tested" act for a series of regulations that are unwelcome among the prospectors and company scouts. Our committee realizes that from time to time certain minor amendments, such as one now required for use of cairns instead of posts in certain areas, are necessary, but see no reason for any radical changes in the Yukon mining laws. May we point out that prospecting and mining development are more active in the Yukon than ever before, with large numbers of new prospectors and mining companies entering that territory each year. We believe it would be most unwise for the department to take any drastic action in respect to mining laws that would discourage the existing enthusiasm and well laid plans for future development of that territory's rich mineral resources.

I have many more communications along the same lines, but I do not wish to take the time to place them on record in full. However, I must point out that the government has been made well aware of the wishes of the people in the Yukon in connection with this matter.

They sent Colonel Cole to the Yukon last summer to make an inquiry. What did he do? Well, he reported to the minister to the effect that the mining industry were quite happy with the Yukon Placer Mining Act, "so leave it alone." He also intimated that the people were quite happy with the Yukon Quartz Mining Act, but that they did not know what was good for them, "so change it."

Did you ever see such contradictory advice? On the one hand he recommended that the department should leave the placer mining act alone because the people of the Yukon were happy with it. On the other hand, although the people were happy with the Yukon Quartz Mining Act, he recommended that it should be changed, and this contrary to the wishes of the people and of the mining industry.

Why is it then, if it is reasonable to conform to public opinion on placer mining operations, that it is not also reasonable to conform to public opinion on quartz mining matters?

I might say that the statements contained in Dr. Smitheringale's report have been

widely accepted by the mining fraternity. Dr. Smitheringale is a geologist and mining engineer with many years of practical experience in the Yukon as compared with Colonel Cole's record of experience, which is more confined to legislative matters. The people of the Yukon Territory cannot understand why the government would accept the Cole report as a basis for making changes in our Yukon Quartz Mining Act.

The suggested changes in the act made by Colonel Cole, and the comments on his suggestions, together with the opinions of Dr. William V. Smitheringale of Vancouver and Whitehorse, have been carefully studied by everyone concerned, and it is the considered opinion that Dr. Smitheringale's conclusions are basically sound and should be followed. Dr. Smitheringale knows the country, the people and the problems associated with the mining industry and is held in high esteem. We have every confidence in his integrity and ability.

Mr. Lesage: His employers do not agree with you.

Mr. Simmons: I do not care what his employers say, the fact is the people back him up 100 per cent.

Mr. Lesage: His employers in the mining industry.

Mr. Simmons: You must realize that there is one company up there trying to get the mining laws changed and that is the reason.

It is agreed that some minor amendments are required to the existing act. However, there appears to be no necessity to scrap an excellent act that is most popular among the large number of prospectors and other mining people. It is felt that the wishes and opinions of the large majority of practical mining people active in the Yukon should be considered and that the proposed legislation along the lines of Colonel Cole's recommendations should be reconsidered.

It is the considered and practically unanimous opinion that the granting of reservations or concessions of mineral lands in the Yukon Territory, the arbitrary enactment of four-post staking and repeal of the present two-post staking, the endorsement of compulsory surveys of mineral claims and compulsory applications for leases would be contrary to the true spirit of free enterprise, resulting in unjustifiable hardships to the prospecting and mining fraternity domiciled in the Yukon and in several years of confusion, uncertainty and frustration. Therefore, in my opinion, any proposed legislative action should be confined to amendments to the existing act.

[Mr. Simmons.]

I find it difficult to reconcile certain aspects of Colonel Cole's investigation. For example, why was he selected for this task and who made the selection? Without reflecting in any way on his proven integrity and ability, it is a fact nevertheless that he has indicated in his tenure of office with the Manitoba department of mines that he long has been a proponent of four-post staking and regulations rather than the stability of an act.

Further, why select an individual from one of the only three areas of Canada where mining is administered under regulations rather than someone from the several provinces where at least 90 per cent of metal mining is done and where mining administration under an act has been well proven. Better still, why not an individual from the area involved in such investigation?

Two-post staking is a time-tested, proven and entirely adequate method of establishing claims in such mountainous areas as British Columbia and the Yukon. I am surprised that Alaska should be cited by Colonel Cole as an illustration of the practicability of four-post or seven-post staking.

We are all aware that this is simply a direct and natural extension of the practice within the United States and, unfortunately, is practically impossible to change now. It might well be noted in this connection that these laws were inherited in part originally from the Spanish and are widely admitted by United States authorities to be most unsatisfactory and, in fact, almost unworkable.

Surely under these circumstances we can well afford to look to Alaskan practice as evidence in support of two-post staking. It might also be noted that there is currently a very strong sentiment among the mining fraternity of Alaska for a change in the method of staking.

In spite of the kindly sentiment expressed in regard to the prospector there seems little hesitation in burdening him with considerable unnecessary work and expense in four-post staking. In this matter also Colonel Cole's opinion disregards the will of the majority entirely.

If some of these four-post proponents would refer to Dent's Canadian School Atlas of 1940 they would see some very fine reference maps of the Canadian provinces which were compiled by the Edinburgh Geographical Institute. These relief maps show that the greater part of Manitoba and all of Ontario and the greater part of Quebec have elevations of 2,000 feet or less.

Compare these elevations with the topography of western Alberta, British Columbia

and Yukon Territory. I might point out, Mr. Chairman, that Kluane lake in the Yukon has an elevation of 2,525 feet above sea level while mount Logan not far to the southwest of lake Kluane has an elevation of 19,850 feet. Or step clear across the Yukon to Frances lake, the elevation of which is 2,000 feet, and from the head of the east arm of this lake one may walk to the summit which has an elevation of around 9,000 feet.

How would some of these four-post proponents like to put four posts on the top of it? It would, no doubt, teach them to be more sympathetic and considerate of their fellow man.

Whatever the geographical and topographical aspects may be in eastern Canada it is certain that in the Yukon and in British Columbia these conditions are such as to make four-post staking a practical impossibility.

If anyone has ever staked claims in mountainous country they will be forced to admit it would be virtually impossible to stake out four corners of a claim with any degree of accuracy. Even in a flat country like Ontario claims are by no means square, or even of any particular shape.

All one has to do to verify this statement is to look over a claim map of some of the older districts, say Kirkland Lake for instance. It is at least 1,000 times more difficult to set out a square in the mountainous areas of British Columbia or the Yukon. With two-post staking and a reasonably accurate map as a guide one can pretty well tell the location of any claim.

The four or seven-post staking required in Alaska was cited. The complaints one hears about this method in Alaska and in the western states, where similar requirements are in force, would certainly lead one to the conclusion that stakers would much prefer the two-post method of British Columbia or the Yukon.

Some of Colonel Cole's objections to two-post staking are really amusing. It is infinitely simpler to run a survey along one boundary if overstaking has occurred than to have to run four boundaries of each claim to determine just how much overlap has occurred. Further, if his fear of fractions is as great as indicated, then all that is required is to stake out one of each four claims as a fractional claim to begin with, and claim all open ground up to 60 acres.

Colonel Cole does not differentiate between legitimate staking and wildcat staking. During a boom anyone who purchases claims for more than a nominal sum without first of all having a survey of some kind run deserves to lose his money. Sorting out holdings staked out under the two-stake per claim method is easier, cheaper and quicker than with four posts as he suggests. Even under boom conditions, a prospector always knows the discovery he has made is covered by his claims when staking by the two-post method. In almost every case he will stake along the strike, throwing a claim each side of his location line. If he follows along the outcrops he will not let any showings escape him. He would be a poor staker if he wandered over 1,500 feet from the strike of the deposit or deposits he is staking in that same distance.

As a rule the original discoverer of any mine receives little or nothing for his labours, probably having had to sell out long before he should have done owing to economic stresses. Then—and this has never yet been made clear—who are those interested who desire revision of the Yukon Quartz Mining Act, and who wish to force upon us four-post staking, regulations, compulsory surveys and compulsory applications for leases? Naturally, I am puzzled about the mysterious "easterners". There seems to be an implication that the two-post system is causing "easterners" to withhold from participation in new found exploration and mining. What a joke!

Perhaps the following companies, who are or who have been active in the Yukon Territory, are not included as "easterners" such as Con West, Ventures-Frobisher, Noranda, Teck-Hughes, Prospectors Airways, Hudson Bay Mining and Smelting, Newmont—

Mr. Lesage: Most of them are in favour of four-post staking.

Mr. Simmons: No, I have letters from practically every one of them, and I can prove it.

Mr. Lesage: So have I. What about Prospectors Airways?

Mr. Simmons: There is one man in that. Consolidated Mining and Smelting Company, New Jersey Zinc, Kennecott, Anaconda, American Smelting and Refining Company, American Metals Company, Trans-Continental Resources, Newkirk interests, Karl Springer interests and many more too numerous to mention.

No doubt there are certain minor amendments which will benefit the existing act, as for example I am unable to determine from the existing act how protection can be secured for a vein striking out under a lake more than two claims wide. There seems to be no provision for witnessing a submerged claim such as there is for claims

in British Columbia and some other provinces. I am of the opinion that certain minor changes in the existing act would be practical and justified, but there is absolutely no adequate reason for the introduction of regulations covering procedure in place of the act, or the entire changing of the existing method of claim locations, as recommended by Colonel Cole.

There are a few comments that may be made regarding Mr. Cole's suggestion that a claim must be surveyed within a certain length of time. It is my feeling no survey should be required as long as the annual assessment work is being done. In nearly all areas, particularly in the Yukon, most claim holders are far removed from others, except in a few of the more developed areas. It is far more important to find an ore body than to have a survey run. Further, surveys are expensive, and the average prospector does not have funds available for that kind of work, but is well able to handle his assessment work as it consists largely of his own labour. To have a claim surveyed in the Yukon would cost about $500 per claim, the equivalent of five years' assessment work, and the claim owner only gets credit for one year's work. If they are going to reduce the size of our claims, it is going to cost a prospector much more. I cannot understand it at all.

Such a requirement would be confiscatory as far as the average prospector goes. If the claims are of sufficient value, then the purchasers from the prospector will see they are surveyed to protect themselves. It is obvious this suggestion is ill-advised as, in some particular cases, it would force the prospector to abandon his claims. Surely the government does not want to see the prospector being forced to abandon his claim.

An hon. Member: It looks as if they do.

Mr. Simmons: The British Columbia and Ontario acts are by far the most definite acts of their kind now in force. Very few discretionary powers are left to the whims and fancies of government officials, and even those powers are sometimes abused. These acts have been in force over many years and have been tested and proven sound. These acts should be compared to the one in New Brunswick, where the minister of mines is empowered to do anything he desires at his discretion, there being no recourse to his actions. That feature of the New Brunswick act has scared and is scaring capital away from that province, and is doing more and more harm as time goes on. We do not want such a condition in the Yukon.

[Mr. Simmons.]

Prospectors should not be discouraged in any way. Almost without exception some prospector makes the first strike in a new district, and often where the so-called experts of various kinds state emphatically that such an element or mineral could not be found.

Mr. Herridge: The officials of the provincial department did that in the Salmon river valley.

Mr. Simmons: From that point on geologists, geophysicists and others take over. Regardless of scientific developments the prospector will always have a very important part in mine development and should be encouraged in every way possible. If this new bill comes into force, I am afraid it will discourage many prospectors.

Mr. Lesage: You have not seen it yet.

Mr. Simmons: I do not care if I never see it, to be honest with you.

Mr. Lesage: When you see the act you will have to withdraw most of the things you have just said.

Mr. Simmons: I think I can read it off by heart now, though I have never seen it. The only bright spot in the recommendations contained in the Cole report is where it is recommended that areas in the Yukon Territory should not be withdrawn from ordinary staking to grant reservations or concessions. We agree and are pleased to support him in his stand that reservations or concessions should not be granted. Granting concessions to induce capital to develop the country is not required, and would undoubtedly prove detrimental. The minister in his remarks mentioned something about the Pine Point concession. How many of these concessions are applied for and developed?

An hon. Member: They are still waiting.

Mr. Simmons: They are still waiting. In most cases all that is ever done with a concession is to give it "a lick and a promise". If the first results are not satisfactory the officials of large companies lose heart, and are generally afraid to ask for further funds, the net result being large areas are damned outright or with faint praise, and are eliminated from the possible areas others will look over. Concessions would hog the mineral potentialities of the country to the detriment of individual prospectors and syndicates. Concessions always tend to hold back rather than to encourage prospecting and the discovery of new deposits.

For many years past mining in the Yukon Territory has been administered under the Yukon Quartz Mining Act and the Yukon Placer Mining Act. The people of the Yukon

have been very happy with these acts which have been kept up to date with modern developments by occasional amending acts of parliament. This has meant that all proposed changes in mining legislation have been brought out into the open and have been thoroughly discussed by members of this house. The people of the Yukon want their mining laws administered under acts wherein any proposed changes would be presented to and discussed in parliament. There is general agreement that some further minor amendments should be made in the present act in order to deal with problems which have come to light in recent years. But the people are unanimous in their desire to have our mining laws governed by an act and not by regulations in any degree.

Let us go back into some history of how this happy state of affairs occurred, because things were not always so happy in the Yukon prior to 1924 when our mining laws were administered by regulations under orders in council. Back in 1898 mining matters in the Yukon were administered by regulations passed by orders in council. This procedure caused so much dissatisfaction with and resentment of the administration of mining that in 1900 Mr. Justice Britton of the supreme court of Ontario was sent to the Yukon to study placer mining problems. As a result of the consideration given to the problems at that time the Yukon Placer Mining Act was enacted in 1906. This act has given entire satisfaction. There are no regulations under this act.

Perhaps I should explain that at that time placer mining was the dominant industry and held the centre of interest in the Yukon Territory, and that people did not become interested in quartz mining until after 1906 when quartz mining continued to be administered under regulations. I might also mention the fact that there was very little interest in quartz mining at that time in the Northwest Territories, Manitoba, Saskatchewan or Alberta.

Another point of interest is that there was throughout Canada general dissatisfaction with the administration of mining matters by regulations and under orders in council. This dissatisfaction was so widespread that the Canadian Institute of Mining and Metallurgy presented a brief to the government in 1910 advocating the administration of mining laws by means of an act of parliament.

As a result the Canada mines act was prepared for the twelfth Canadian parliament upon principles advocated by that institution, and was introduced in this house in 1912. Had that act passed there would have been no necessity for the Yukon Quartz Mining Act which was enacted in 1924. Unfortunately the Canada mines act of 1912 was not passed.

The point I wish to make, Mr. Chairman, is that for over 50 years the people of Canada who are interested in developing the mineral resources of this country, wherever they may be, have advocated the administration of mining laws under acts of parliament—and have always been opposed to the instability created by administration under regulations —so that today mining matters in all provinces where there is any degree of mining activity, such as Ontario, Quebec and British Columbia, administer their mining laws under acts of provincial parliaments.

Let us now go back to the Yukon Territory and see what happened to quartz mining there. As I told you previously there was very little activity in quartz mining in 1906 when the Yukon Placer Mining Act was passed, so there was no great concern whether quartz mining was administered under an act of parliament or under regulations which could be changed overnight without the foreknowledge or approval of the mining industry. However, the quartz mining industry was soon due for a decided change and acceleration in pace. It picked up rapidly and public dissatisfaction with and resentment of administration by regulations and orders in council developed. Public feeling and resentment to this unhappy state of affairs developed to such an extent that in 1924 the mining industry in general became dissatisfied, distrustful and aroused by administration by regulations so that the Liberal government of the day allowed an opposition member, the Hon. George Black, to sponsor the Yukon Quartz Mining Act—a highly popular and time-tested act—which was approved by parliament. There is no provision for the arbitrary enactment of regulations under this act, something for which we are truly thankful. That is the way we want to keep it.

Despite all this history, not only in the Yukon Territory but throughout the provinces, of public disapproval and resentment of the administration of mining matters by regulations, and the almost universal desire to have mining matters stabilized under acts of parliament, the government has apparently decided that it knows much better about what is good for the mining industry in the Yukon than does the industry itself. What did it do? In 1952 the government brought in a bill to repeal both the Yukon Quartz Mining Act and the Yukon Placer Mining Act. This bill was introduced in the other place but it died in the House of Commons. Since then

I am sure it has been realized that the proposed repeal of those two acts was a mistake.

The intention was to extend the Northwest Territories mining regulations to the Yukon Territory. This bill was introduced without my knowledge and without consulting anyone in the Yukon Territory. In other words, the people of the Yukon were going to take this dose of medicine whether they liked it or not. Fortunately this bill died in the house. I say "fortunately" because I cannot conceive how any action could have been more highhanded, unpopular and undemocratic.

Let me again emphasize the fact that in 1952 the government intended to repeal both the Yukon Placer Mining Act and the Yukon Quartz Mining Act. Now it intends to leave the Yukon Placer Mining Act alone, while it still obstinately continues to insist on forcing upon us distasteful legislation by completely revising our Yukon quartz mining laws, because that is what this proposed legislation intends to do. Why it is being done is beyond my comprehension and, as you must have gathered, it is against my advice and the wishes of the overwhelming majority of the people of the Yukon.

The Yukon Quartz Mining Act, passed in 1924, has been an admirable act.

Mr. Lesage: That is your opinion.

Mr. Simmons: It certainly is. It has been, it is yet and it always will be. It was framed with the assistance and the advice of the mining fraternity—both the prospectors and mining companies—and it has met the situation peculiar to the Yukon. We must remember that the Yukon is different topographically from any other section of Canada except the province of British Columbia. It was therefore natural that the Yukon Quartz Mining Act should follow the pattern which had been developed for British Columbia, and with which the prospectors were thoroughly familiar.

In the Yukon Territory mining is an old industry and the prospectors and miners and people working in it have developed over the years, by trial and error and the sweat of their brows, and experience in the conditions peculiar to the territory, a set of mining laws which they know and understand, and with which they are generally satisfied. I am sure that all hon. members can plainly see why they are reluctant to have our mining laws tampered with.

In any legislation which we pass with a view to assisting mining resources development, we must be sure that annoying details of legislation are eliminated. In these days when there is so much criticism of legislation by regulations it is easy to understand why the Yukon people, who have been quite satisfied with the Yukon quartz and placer mining acts, are reluctant to see any drastic amendments such as have been proposed to our mining laws on the recommendation of Colonel Cole. May I have leave of the house, Mr. Chairman, to continue for another three or four minutes?

Mr. McCulloch (Pictou): Just three.

Mr. Simmons: I could continue this all night, if necessary. I have all this material to make use of yet.

Mr. Lesage: You had better go on now because after seeing the bill you could not say the same thing. You had better say it now.

The Deputy Chairman: Order.

Mr. Simmons: The mining fraternity does not want the lauded flexibility of regulations which can be changed overnight without their knowledge, and often to their detriment, in place of the stability of an act. I share their view that there is everything to be said in favour of retaining the present mining acts rather than administering our mining laws in part by regulations. Undoubtedly the retention of the present act, with slight amendments to bring it up to date, would be preferable and in the interests of mining resources development in the Yukon. The adoption of regulations in part, in lieu of the stability of an act, is certainly a retrograde step in our democratic form of government.

It is quite obvious, therefore, that as soon as we have sufficient population and industry the people in the territories will welcome self-government which will enable them to run their own affairs as they deem fit, and consistent with the wishes and needs of the people of the particular areas, rather than have forced upon them distasteful legislation which they do not wish to accept. Surely the government is not going to completely ignore the wishes of the people in this regard.

Amendments to the Yukon Quartz Mining Act at the present time have to be submitted to parliament and so become known to the electors and to the people affected by them. If these laws are revised and regulations substituted in part for them, parliament cannot be consulted or informed as to what the government is doing and has no opportunity to approve, object or offer amendments. In other words, it will rob parliament of its power, and this will be most unpopular in the Yukon. Any part of the proposed new act providing for regulations will be most

unsatisfactory as it is generally felt that the present act has been working satisfactorily for a number of years and that any changes necessary should be confined to the existing act rather than be made by a revision with enactment by regulations.

The Yukon Quartz Mining Act, as I have said before, is a very good one. With a few minor changes it is as good as, if not better than, any mining act in Canada, and the mining can be carried on very satisfactorily under it. Again let me reiterate that I am unequivocally opposed to regulations in any form in so far as they relate to our mining laws, as I believe in the business of the country being carried on under statutes as much as possible. We have heard very few complaints from prospectors or mine operators regarding our mining laws.

At the present time prospectors and mining development are more active in the Yukon than ever before, with quite a number of additional companies planning to operate in that area during the coming season. More and more prospectors are also looking to the Yukon as a favourable area in which to search for mineral deposits. The mining fraternity is entirely familiar with the Yukon Quartz Mining Act on the whole and are satisfied with its provisions and the protection it affords them. So why change it? To my way of thinking the present act is a pretty fair mining act, far better than it would be if altered to suit Mr. Cole's way of thinking, which leads me to believe that the less some government officials have to do with administering our mining laws by regulations the better and more smoothly business can be carried on.

There are a few government officials who do not have any grasp of the true conditions of business, and certainly not of prospecting or mining. They fall into two types, those who become very arbitrary and insist on deciding everything according to their personal views, or those who are afraid to make any decisions. The present act is pretty definite on almost all subjects and should, therefore, not be altered to give officials more discretionary powers, for that can only lead to abuse. The administration of the mining laws in the Yukon prior to 1924 will bear me out in these views.

I cannot conscientiously support this resolution, Mr. Chairman, against the wishes of the people of the Yukon who are bitterly opposed to the recommendations contained in the Cole report as a basis for any proposed drastic changes in our mining laws. The prospecting and mining industry must be safeguarded and unhampered by mandatory orders emanating several thousand miles distant from the scene of mining operations in the territory. I have refrained from extreme statements as I do not wish anything I have said to be interpreted as meaning that I am personally hostile to the minister presenting the resolution.

An hon. Member: Do not be too timid.

Mr. Simmons: I do wish, however, to reiterate my determined opposition to the proposed new act for the reasons given.

Mr. Green: Mr. Chairman, this afternoon we have listened to a remarkable speech, and I am very happy to associate myself—

Mr. Dechene: Undoubtedly.

Mr. Green: —with the stand taken by the hon. member for the Yukon. He has been here since 1949; in the first parliament in which he served he was the member not only for the Yukon but also for the Northwest Territories. Therefore he also has a knowledge of mining conditions in the latter area as well as in the Yukon. Throughout his service as a member of parliament he has loyally supported the Liberal party. I do not believe there has been one occasion on which he has voted against his party. He may have done so on a minor matter but generally speaking he has been a loyal supporter of the Liberal party. Today he has had the courage to stand up and criticize this measure brought in by his own party.

Mr. Lesage: He does not even know what is in the bill.

Mr. Green: He deserves the respect and not the laughter and scorn of members of the house. Some members on the government side think this is a laughing matter. Here you have an hon. member who has stood up and spoken for his people regardless of the stand of his party.

Mr. Dechene: Oh, oh!

Mr. Green: Oh, go on back to Athabaska.

Mr. Dechene: I will come back.

Mr. Green: For that he deserves respect. He certainly has mine.

Mr. Dechene: You do not need to insult anybody.

Mr. Green: I am sure he will have the respect of the people of Canada at large. He is not in the position of members representing a province. There are, for example, 22 members from British Columbia. This hon. member alone represents one group of people; he represents the Yukon Territory. The government should listen to his views. I am

amazed that the minister would introduce a resolution, as he has done on this occasion, against the views, wishes and advice of the hon. member for the Yukon. What on earth have we got left of representative government when that can happen?

Furthermore, the hon. member has pointed out that he is supported by a unanimous vote of the Yukon territorial council. There, we have a council that is entirely elected, chosen by the people of the Yukon and not appointed by Ottawa, as was the case until a very short time ago. The Yukon territorial council has met and taken exactly the same stand as the hon. member for the Yukon. Yet, their recommendations are to be ignored by this dictatorial government.

Let me point out to the Minister of Northern Affairs and National Resources the coincidence that just a year or two ago this department of northern affairs was set up and attention was focused on northern Canada. Yet here today you have the minister bringing in a measure in defiance of the wishes of the people of the oldest part of northern Canada.

Mr. Lesage: For the good of the Yukon; that is what we are doing.

Mr. Green: Just a few days ago, on May 13, the hon. member for Kootenay West asked the minister about certain motor vehicle ordinances that had been given effect to in the Yukon. The question and answer can be found at page 3776 of *Hansard* for May 13. On that occasion the minister was in favour of the independence of the Yukon territorial council. I quote first what the hon. member for Kootenay West said:

> Mr. Chairman, I am very pleased that you put me in order. I have been asked to bring to the minister's attention certain motor vehicle ordinances that have been given effect in the Yukon.
>
> Mr. Lesage: On a point of order; I am sorry, but this involves a territorial ordinance and I have nothing to say about it. There is autonomy in the Yukon and Northwest Territories.

There is not much autonomy in the minister's attitude here.

Mr. Lesage: On a point of order, Mr. Chairman—

Mr. Green: I am making my speech.

Mr. Lesage: I am rising on a point of order, Mr. Chairman. I do not believe the hon. member who is now speaking can say that I have changed my mind, because the other day when I rose on a point of order the hon. member who was questioning me was dealing with a matter under the jurisdiction of the local council, whereas the natural resources of the Yukon Territory are under the jurisdiction of parliament and have to be administered by this government.

The Deputy Chairman: I may say at this moment that I do not feel the point of order raised by the minister is a point of order. I think it is one of the many we have before us which really come under the heading of personal explanation, and that except in cases of very obvious misinterpretation of one's remarks these points should be withheld until the conclusion of the speech by the hon. member who has the floor.

There is a point of order worrying me at the moment which I draw to the attention of the hon. member for Vancouver-Quadra. It is the prohibition against quoting in one debate on one subject in this house any argument from another debate of the same session. I would ask the hon. member to make his argument without quoting from another debate in the same session.

Mr. Green: I am quoting from a discussion of the estimates having to do with the Yukon Territory. I submit I am in order in quoting that on this resolution which deals also with the Yukon Territory. It is not as though I were quoting from a different debate; I am quoting from a discussion of the estimates.

I repeat, the minister said this:

> There is autonomy in the Yukon and Northwest Territories.

The Deputy Chairman: I am sorry to perhaps appear stubborn, but I cannot agree that the hon. member for Vancouver-Quadra is in order in quoting from a debate on the estimates, even though it was on the estimates of this department, a matter relative to automotive transport, and using this argument in the same session on a resolution dealing with an amendment or repeal of the quartz mining act. I am sure the hon. member can make this argument without going that far.

Mr. Green: Well, I will not quote, Mr. Chairman. I merely say this. On an earlier occasion the minister defended himself by taking the position that he would not interfere with what was done by a regulation of the territorial council. Today, on this other measure, he is taking the position that he will not listen to the Yukon territorial council; he is ignoring the stand that they have taken on this question. If there is to be democracy in the Yukon, as there is in the rest of Canada, then I suggest that the hon. member for the Yukon and the members of the territorial council are the ones whose advice should have been taken on this question and not the recommendation of an engineer from Manitoba.

The hon. member for the Yukon has read extracts from letters from the British Columbia and Yukon chamber of mines. Some hon. members might wonder why it is that there is

a chamber of mines that deals with mining both in British Columbia and in the Yukon. The reason is that there is the closest association between miners in British Columbia and in the Yukon Territory. The territory was opened largely by prospectors and miners from British Columbia. The hon. member for Yukon, himself, is a native son of British Columbia. Until the construction of the Alaska highway all the traffic to the Yukon went up the west coast from Vancouver, Victoria, and the other coastal ports and eventually got by rail from Skagway into the Yukon. The Alaska highway, too, starts in British Columbia and runs across the north-eastern portion of our province into the Yukon Territory. Air connection to the Yukon is also made from Vancouver, although there is in addition an air service from Edmonton into the territory.

In mining matters British Columbia and the Yukon have been closely associated for the last half century, and that is why they have this chamber of mines dealing with problems facing the miners in the two areas. As the hon. member has said, the topography of the Yukon and of British Columbia is much the same. The highest mountains in Canada, I believe, are in the Yukon Territory. They are far higher than those in British Columbia.

Many years ago, about the turn of the century, the British Columbia legislature placed on the statute books a mineral act which was a codification of mining laws, and it has been eminently satisfactory ever since. Before that mineral act became law there was litigation of all kinds over mining claims. In fact, most of the litigation in the province had to do with mining. But once that act was placed on the statute books, mining litigation fell away, with the result that since that time the lawyers have had a hard time making any money out of mining disputes in my province.

There have been no regulations under that act; everything is written into the act. It refers to the method of staking and the other details in connection with staking—everything is written into the act. And as the hon. member for Yukon has said, Yukon adopted the same system some years ago. You see, one of the big difficulties about having regulations rather than having everything written into a statute is that those regulations may be interpreted one way today and another way tomorrow. Furthermore they may be changed. The cabinet may meet and decide to make a change, and this can be done. There is not the same difficulty in the matter of permanence and stability when the law is placed on the statute books, rather than having it in the form of regulations.

I do not think there is any doubt that the people of the Yukon feel as the hon. member has stated about the possibility of having part of the mineral law made up of regulations. When the bill introduced late in 1953 was under consideration a wire was received from the Hon. George Black who, as hon. members know, for many years represented the Yukon here in the House of Commons, as did also his charming wife, Martha Black. She was here from 1935 to 1940.

The Hon. Mr. Black had this to say about substituting orders in council for statute mining law in the Yukon:

> That will be most unsatisfactory to Yukon miners. It is reverting to dictatorship of early days.

Many members in the chamber this afternoon knew George Black, and most people in Canada know his record. I suggest his views on the subject should carry great weight, just as should the views of the hon. member who now represents the Yukon.

Mr. Lesage: They have carried weight.

Mr. Green: Well, nothing seems to have carried much weight in the minister's mind.

Mr. Lesage: Oh yes. You did not see the bill.

Mr. Green: I do not think much weight has been attached to Mr. Black's proposals because Mr. Cole has been able to ride roughshod over all such recommendations.

And that brings me to Mr. Cole's report, where he says that he is in favour of four-post staking. I might point out that in British Columbia we have had two-post staking since the enactment of our mineral act. Under that system a prospector can stake out eight claims by placing posts in five different spots. For example, for one claim he will put a stake at one side or one corner, and the next stake 1,500 feet away; then he can claim 1,500 feet out from those stakes. By putting two other stakes beside those two he can claim 1,500 feet in the opposite direction. The result is that he can stake eight claims with 16 stakes; but in order to do that he has to be in only five different spots on the mountainside.

On the other hand, under the four-stake system he would have to put a stake at every corner. Today the minister has mentioned groups of 12 claims. Under the two-stake system the prospector would have to drive in only 24 stakes, many of them driven beside each other, whereas if the four-stake system were used he would have to set out

48 stakes. So I say this is an extremely serious matter for prospectors, and it is extremely unfair that men in the Yukon should be forced to work under a system of that kind.

The reasons given by Mr. Cole for his recommendations are very enlightening, because I believe they go to the root of this whole matter. I turn to that portion of his report which bears the heading, "Two and four-post staking, which?" He says:

> This question proved to be the most contentious given to me for investigation. There is a marked division of opinion between the westerners and easterners as to the merits of the two methods . . .
>
> Those prospectors who had lived in British Columbia or the Yukon have grown up with two-post staking. Yet it is passing strange—

And I suggest the use of those very words in this man's report shows how biased he is all the way through. And he uses words of this kind at more than one place in his report—sarcastic, sneering words about any suggestion in favour of two-post staking. He says:

> Yet it is passing strange that in a terrain as rugged as either British Columbia or the Yukon, Alaska has held to the four-post method—or should it be referred to as "seven-post" for three more posts are required to designate the location line.

The hon. member for the Yukon has explained that the Alaska miners wish they did not have this seven-post staking system. Then Mr. Cole goes on to say:

> The westerner views his two-post method with a fervour almost vehement—

And again we see a sneering remark about these western prospectors.

> —and one at least has voiced his disregard to an eastern counterpart in the words, "If you don't like two-post staking out here you had better go back east."

What kind of statement was this for a responsible man to put in a report to the government? Then it goes on to say:

> However an easterner describes it this way, "If a prospector is selling claims that he hasn't got—"

And there again, another sneering remark, insinuating that these prospectors are trying to sell claims they do not own.

> "—the two-post staking is wonderful."

And then he goes on to say:

> Now the eastern exploration and development companies have moved into the Yukon in search of minerals. They are used to the four-line staking which prevails in all parts of Canada east of Alberta.

The hon. member for Yukon has given evidence today that practically all of these companies actually working in the Yukon are satisfied with the two-post staking system. Mr. Cole goes on to say:

> The easterner with the wherewithal—

And here come the money interests, the Toronto stock exchange, and so on—

> —to carry on exploration and development is sensitive of the fact that the four-post staking has merits that the westerner fails to appreciate.

And then there is this remarkable paragraph, again showing his bias:

> Attention has already been directed to the fact that the money for exploration and development is coming from outside and particularly from the east. What are the points of contention that eastern interests desire to have settled? They feel that the four-post staking offers a measure of security of tenure that is lacking in the two-post staking. It is reasonable—

And here he is speaking for the eastern interests.

> —then, for the interests putting up the money to ask the people of the Yukon to co-operate in this regard.

The minister has accepted this report. In other words, the miners in the Yukon are to be sacrificed for the benefit of eastern interests. It is just that simple. That is the statement by this Mr. Cole in his report to the government which report the minister has seen fit to accept.

I suggest that that is a most flimsy foundation upon which to work out a new quartz mining law for the Yukon. The minister will never get the approval or support of the mining people in the Yukon for a measure based on recommendations of that kind. That one recommendation itself should have been enough to condemn Mr. Cole's report. The minister should have called in his own member and the members of the Yukon territorial council and taken advice from them instead of trying to ram this measure down the throats of the people of the Yukon.

I suggest that after the bill has been introduced the fair thing to do would be to allow it to stand until next year. Let us see exactly what the minister has in mind; let these people in the Yukon have the necessary time to study the bill and of course let the eastern interests study it as well. That cannot be done between now and the end of the session. The minister talks about having the bill referred to a committee but that would mean that the bill would be law within the next week or two if the government members stood by the government as they have a fixed habit of doing. It certainly would not give the people of the Yukon an opportunity to check the merits and demerits of this bill. I suggest that nobody would be hurt particularly if that course were followed. Let the bill be introduced and then let it lie on the table so that it may be considered by everybody interested. Then next year amendments

could be put through the house which will give satisfaction to the great majority of the people.

Certainly any measure that passes this house should above all give satisfaction to the people of the Yukon. They are the ones who live in the territory; they are the ones who believe in the territory; and it will be by their efforts that the Yukon will grow and eventually become a province of Canada. But you will never be able to build a province in that northwestern part of Canada by ignoring their wishes, as is being done in this instance, and forcing through legislation against their recommendation.

Mr. Herridge: Mr. Chairman, I do not intend to take up very much of the time of the committee because I know that at least a dozen members are waiting to speak on this resolution. I think we had better leave our principal speeches until the second reading of the bill. We heard this afternoon a most informative, and I for one think a most courageous, speech by the member for the Yukon. There is no doubt that from the information he gave to the committee and from the information which other hon. members have received he was speaking for a great majority of the people whom he represents. While I was listening to him I thought that he must have inherited his father's independence. His father was a federal government official on the Arrow lakes in the early days of this century and was well known for the strong stands he took on issues about which he felt keenly.

Like the hon. member for the Yukon, I have every respect for the minister and I am confident that he is concerned about the proper development of Canadian natural resources. He has evidenced interest in the subject in general and has shown concern about certain developments in connection with the Columbia river. We appreciate that interest and that concern. I think other hon. members will agree with me when I say that I think in this instance the minister is receiving poor advice from his officials, and is accepting that advice. I think a reconsideration of the whole matter would be fully justified.

I notice that the Minister of Fisheries has stayed in the chamber this afternoon. The Minister of Fisheries has the ability to appear to be reading a document in a most interested manner when in fact he is listening intently to what is going on. I have experienced that on former occasions. I am quite sure that the Minister of Fisheries is very interested in this matter and could make a most interesting speech on the question of the mining laws of British Columbia.

The minister is a mining engineer and for some years was secretary to the minister of mines of the province of British Columbia. As the hon. member for Vancouver-Quadra mentioned, we had great difficulty with the mining laws of British Columbia until the early days of this century. Then under the McBride administration the mining laws were redrafted and they remained almost unchanged until a Liberal government came into power in British Columbia. The minister will remember that after some years the Liberal government made several amendments to the basic mining laws of the province which were required because of changing conditions and circumstances. I well remember the minister of mines making a speech in the provincial riding of Nelson-Creston where there is considerable mining activity. This was a meeting of mining men and I remember him saying that in his opinion British Columbia had the finest mining laws in Canada. I wonder if the Minister of Fisheries will disagree with that statement today. I should like to hear the Minister of Fisheries express an opinion on British Columbia mining laws.

The hon. member for the Yukon has pointed out that the basic law in the Yukon is based to some extent upon the experience in connection with the mining legislation in British Columbia because of the similarity between mining conditions and the terrain in British Columbia and the Yukon. When we have the finest mining legislation in Canada in British Columbia, according to the opinion expressed by a cabinet minister of a Liberal government in British Columbia, I cannot for the life of me understand why this government wants to change the situation and impose a different type of legislation in the Yukon.

I know that many hon. members on this side of the house appreciate that the hon. member for the Yukon is taking objection to this legislation because of the satisfaction they have had with the present law, which to a large extent is based upon the mining laws of British Columbia which a member of a Liberal government in British Columbia stated were the finest mining laws in Canada. I can understand the hon. member objecting to any change being made, but I think his main argument on this occasion is that he is speaking for the people of the Yukon and that the government in introducing this legislation has overlooked completely or disregarded completely the wishes of the majority of the people in the Yukon.

The hon. member referred to the opposition of the Yukon territorial council, an elected

body that surely expresses the opinion of those concerned with mining in the Yukon, being close to them. Then, as the hon. member said, there is strong opposition from the British Columbia and Yukon chamber of mines. The hon. member for Vancouver-Quadra said that it was because this chamber of mines functions on behalf of British Columbia and the Yukon, because the conditions are very similar and they represent people who have similar problems and a similar attitude to basic mining law and to mining legislation. We have the branches of the British Columbia and Yukon chamber of mines at Vancouver, the chamber itself, the central body, the branch at Whitehorse and the branch at Dawson City also expressing opposition to this legislation. Here we have the parent body and the body at the Yukon and the local bodies which are in touch with the mining situation and the two major towns in the Yukon, Whitehorse and Dawson, expressing opposition. We have the chamber of commerce at Mayo also opposed, and the board of trade of Whitehorse; and then various meetings of rank and file miners have expressed their opposition to this legislation. There have been many other individuals also, including prospectors, mining engineers, geologists and individual mine operators.

That is a massive weight of evidence and a massive weight of opposition against this legislation. For the life of me, I cannot understand the minister proceeding with this bill in view of the apparent opposition of the great majority of the people in the Yukon Territory.

The minister referred to the Cole report as being the basis for this legislation. I have a copy of the Cole report here and have read it through once or twice. In mentioning that he based the legislation on the Cole report, the minister did not deal very fully with a report made in reply to the Cole report by Dr. William V. Smitheringale, entitled "An Analysis of the Report on Matters Concerned with Administration of Quartz and Placer Mining in the Yukon Territory". This qualified engineer—I judge with a great deal of support, according to the remarks of the hon. member for Yukon—expresses some severe criticism of Mr. Cole's proposals. As far as I can understand from listening to the remarks of the hon. member for Yukon, Mr. Cole is a highly qualified man in certain fields but he visited the Yukon only for a short period. I think I am correct in saying that. He based his report on that brief visit, whereas this other gentleman bases his reply to this report on long knowledge of and experience in Yukon mining conditions.

[Mr. Herridge.]

Therefore, Mr. Chairman, I agree with the hon. member for Vancouver-Quadra, in view of the opposition of the people of the Yukon, and in view of the fact that this legislation will replace legislation that has proven so satisfactory throughout the years, that the minister would be well advised to let the bill lie on the table for another session so that all those interested will have an opportunity to go into the matter and make their representations to the government, and so that members of the opposition and people in the country generally who have come to realize that the government, in pressing this legislation, is doing so in a most undemocratic way in opposition to the expressed wishes of the great majority in the territory that the legislation is intended to cover, will be considered.

Mr. Leboe: Mr. Chairman, I am certainly not going to take up very much time this afternoon, and I do not intend to repeat the arguments that have been so well put forward in this house today. It seems to me that it took a great deal of courage on the part of the hon. member for the Yukon in one way, and then when you look at it in another way, anyone who has the backing of all the people of the Yukon Territory must, of course, voice his opinion according to their wishes. I grant you that that has not been the case always on the part of members of the house. Therefore I should like to commend him for his stand and the action he has taken here this afternoon.

He has given us a full and informative address, laying before us those things which concern his people in the Yukon and presenting a realistic approach to the problems with documented evidence. We in this house must take full recognition of those things he has laid before us in his well rounded discussion of these problems. It is apparent that the people of the Yukon were not consulted, according to the evidence that has been presented. Of course, I am not too surprised, because I can think of several cases during this session already where the people concerned have been left out in the cold in regard to being consulted until some unwarranted action has been taken by this government. Now they are making retractions. That was done in the case of Bill No. 3, and also the act relating to the consolidation of the Railway Act. Here we have another case, another one of three cases, where highhanded action has been taken, and a member from the government side has had to stand up for his people in opposition to the government on this proposed resolution.

The least that could have been done would have been to hear all interested parties in the Yukon and not here, particularly before some committee of this house, which would necessitate people having to travel from the Yukon many thousands of miles to submit their case. We should not ask people to spend many hundreds of dollars and take time away from home to come down here to present their case before a committee of this house, when this government should have moved into the field where the act is enforced. They should move into that field at the convenience of those people and give them a chance to make their wishes known.

Mr. Philpott: Could I ask the hon. member a question? He suggested that members on this side had spoken against Bill No. 3. Is it not a fact that all members of this house spoke in favour of Bill No. 3, except the small group which he represents?

The Deputy Chairman: Before the hon. member replies, I had better point out to the committee that we are discussing, not Bill No. 3 but a resolution on the Yukon Quartz Mining Act. Shall the resolution carry?

Mr. Hamilton (York West): Mr. Chairman, I am reluctant to take part in this debate, chiefly because the Minister of Fisheries indicated that my friend, the hon. member for Yukon, should beware of Greeks bearing gifts. Certainly I hope that anything I shall say will in no way embarrass him, in his very honest effort to convey to the minister the true feelings of his constituents. Yes, it may be unusual that someone from the banks of the Humber might be speaking about something that takes place on the banks of the Liard or of some other river. I listened with considerable interest to the minister both last night and today, and I made fairly full notes on what the minister had to say. As I glanced through them, I have wondered if there has been any connection between the reasons which he has given for the necessity of bringing in this new act and the actual reasons. I might take a look at a few of them.

First of all, he said that the Yukon had some unusual characteristics. Second, he said that mining legislation usually came within the jurisdiction of the province and that it was unusual that federal legislation was required. Third, he said that the territorial council handled certain matters of administration in the territory but were not seized of the right to legislate in connection with mining claims. He said that the natural resources were a federal job. He traced the history of the legislation dealing with mining. He indicated that we had had this act almost without change since 1924. I understand there have been seven subamendments since that time. He said that conditions have changed. He is not sure whether this act is fair to the mining prospectors at the present time. He said revision is required. All of these statements are about as wide as you could possibly make them but none of them discloses an inherent reason for changing this legislation. The minister referred to Colonel Cole's report. One of the most striking paragraphs in this report, in my opinion, is to be found at page 3, at about the sixth or seventh line:

> There is in the Yukon an inherent determination that an act should prevail. While I do not share that feeling with the mining people of the Yukon I am of the opinion that a compromise, mutually satisfactory to the government of Canada and the people of the Yukon Territory can be devised.

Just what state have we reached in connection with the administration of the affairs of the people of this country when we have to reach a compromise between the wishes of the people and those of the government? I was always led to believe that the government reflected the wishes of the people. Here we have a situation where we are apparently now going to be asked to arbitrate between the wishes of the people of the Yukon and the wishes of the administration, as reflected in this new legislation proposed by the minister.

It is indicated that certain changes must be made. I have heard about two-post staking and I have heard about four-post staking. The conclusion that I have come to is that the only experience displayed by those who advocate four-post staking must have been obtained in a four-poster in a Whitehorse hotel. The indication that two-post staking is not adequate for this job is the contention that it is holding up development by new scientific methods. Yet the minister has said that there is no intention to give out concessions of any kind under this act. Surely that is where scientific development and the new methods of using scintillometers and other equipment of that kind would be reflected. He has said that there is no intention to make any concession to people who might be using those types of methods.

As a matter of fact, everyone should take the opportunity of going to the Yukon. You will find that it is not necessary to have large development companies take over this type of exploration. All this type of the newest and latest equipment can be handled by the new type of prospector. On the Liard in northern British Columbia, in the corner of the Yukon, I have seen six and seven private aircraft sitting there waiting to go on with a prospecting program, each one handled on the basis of an individual partnership of

prospector and pilot, and each one having at its disposal some of the latest type of prospecting equipment. Apparently there can be no reason for revision on that score.

Then we find that it is indicated that two-post claims result in the fractional or marginal type of mining claims. I might refer the minister to the mining act of the province of Ontario which is contained in chapter 236 of the Revised Statutes of Ontario, 1950. There he can see that, even with established townships and places where bearings can be taken for surveying, that act as well indicates that even with the four-post type of mining claims in Ontario, fractional claims may exist even there.

Mr. Lesage: Surely. But they will be fewer in number.

Mr. Hamilton (York West): Then he talked about the question of the work involved in this type of mining claim. When we talk about two-posters and four-posters, I think there is an inclination to believe that we are just doubling the amount of work and that that is not too much. Leaving aside the question of the character of the country which has been described by every hon. member who has spoken so far, the fact is that there is probably four times as much actual physical work and expense involved; and in a territory of the type of that in which these mining prospectors are working, it becomes a heavy time-consuming and expensive proposition.

Then it has been indicated that this question of doing work on the claims is one which is difficult to check under present circumstances and that with the use of regulations we are going to be able to handle the matter a great deal better. Let us be frank about it. No matter whether it is an act or a regulation, there are people who will undoubtedly attempt to get by, if they can, without doing the work. British Columbia has spot checking in connection with development work on claims. I would strongly suggest to the minister that he might take some of his help, who have been so good at drafting this type of legislation, and send them out for a few months to handle the spot checking chore in the Yukon. If he did that, I am quite sure that they would not be quite so anxious to get us into regulations in this connection.

I am wondering whether, in fact, this legislation is not the thin edge of the wedge. When there is an undertaking that no concessions will be granted, I am wondering whether that does not mean there will be no concessions granted in the immediate future but that, with regulations being provided under the new legislation, such concessions may be granted in the future without reference back to the house. I can understand there may be companies which are quite definitely interested in this type of legislation. I listened to the hon. member for the Yukon read the list of those who support his viewpoint. He covered pretty well most of the substantial and practical mining development and exploration companies. I wonder whether this type of legislation is not much more pleasant to those who make their living by taking the sucker's dollar, whether they be from Bay street or anywhere else, by simply selling something off a map. Of course this legislation would assist them to a great extent. They could sit in their offices and sell the best of claims simply from a piece of parchment.

Mr. Barnett: Mr. Chairman, I find myself becoming increasingly interested in the subject matter of the resolution before the house this afternoon, and increasingly inclined to agree with the proposition advanced that this is not a piece of legislation which should be rushed through the house at this time. I do not know what percentage of the members of the house have the necessary qualifications to deal with this kind of legislation, qualifications such as the hon. member for Kootenay West suggested the Minister of Fisheries had, but certainly when this matter affects so vitally the people of the Yukon, who can only speak in this parliament through the voice of one representative, and is a matter which also involves complicated considerations in respect of mining, I feel the house should hesitate to rush into a decision so obviously contrary to the wishes of most of the people of the Yukon Territory.

Reference has already been made to the connection between mining law and conditions in the Yukon Territory and those of British Columbia, and I suppose that may tend to have the effect of making British Columbia members rather prone to take the position that extension of the basic mining law of British Columbia into the Yukon Territory is the logical and most desirable method of approaching the question. On the other hand, I for one am not inclined to say that is necessarily and irrevocably the case. Nevertheless, from such limited experience as I have had of the operation of the mining laws of British Columbia, I do feel that the statement made by the hon. member for Kootenay West, which he claimed had been vouched for on the authority of a Liberal minister of mines of British Columbia, is one with which we can agree to a great extent.

Certainly I suggest no one can claim that mining development in the province of British Columbia has been materially held back, nor have I been able to see any great reluctance on the part of some of the mining interests, to which the hon. member for Vancouver-Quadra referred, to come into our province because of the particular type of mining law we have there. I had very limited experience in doing a little two-post staking several years ago, and while I do not claim that that in any sense makes me an authority or puts me in the class of having been a professional prospector, nevertheless I do know enough about the matter to realize that the argument being advanced that in mountainous and rocky terrain the two-post staking system has advantages has a good deal of basis in fact.

I know that particularly if one is trying to travel over that type of terrain on snowshoes and through underbrush it is much easier to do a proper job on one line than on a multitude of lines. I am quite interested in the fact that someone like Dr. Smitheringale should have taken the trouble to make an analysis of the report submitted to the government by Dr. George E. Cole, which analysis indicates that the conclusions reached by Dr. Cole with respect to the Yukon situation do not necessarily represent the only valid conclusions that can be drawn. In his report Dr. Smitheringale discusses the relative merits of two-post and four-post staking, and points out that the conditions imposed upon an individual by mountainous terrain are really different from those prevailing in the flatter country characteristic of most of Canada east of the Rocky mountains. In that regard he says:

> The four-posters readily admit there is less work involved with two posts, but overcome such an admission by stating a two-post claim is not properly staked, is poorly defined . . .

Later in his report Dr. Smitheringale comes out quite bluntly and says:

> Moreover, allow me to flatly contradict anyone who says a claim, staked by two posts, is not as rigidly defined as one staked by four. Colonel Cole, as well as all other responsible people, government or private, knows beyond argument that the boundaries of any claim or any plot of ground, no matter how staked, are not fully defined until such time as an accurate land survey has been made . . . and registered . . .

I lived in one of the mining areas of British Columbia during the time of a staking boom, and certainly my limited observation would indicate that what Dr. Smitheringale says is in point of fact borne out. I happen to know that Dr. Smitheringale is no newcomer to the mining game. It was in 1933 that I first met him. At that time he was the manager of a mine which was under development and was one of the people chosen by the British Columbia mining department to deliver lectures to prospectors on subjects which are of interest to them, under a plan carried on by the British Columbia department of mines. With a long experience in an area such as British Columbia, back of an experience in the Yukon Territory, I would suggest that Dr. Smitheringale's opinion in this connection may very well be as valid as the one that has been expressed by the engineer whose recommendation the government apparently is prepared to take.

I have quoted briefly from Dr. Smitheringale's remarks and tried to suggest to the house he is a man with sufficient qualifications to express an informed opinion, in order to further advance the argument that we in this house are getting into something of a very complex nature. It is a problem that could vitally affect the future of mining in the Yukon Territory, and one about which we should not be asked to hurriedly come to a decision in view of the objections which have already been raised to the proposed legislation. We all hope that this session is coming towards its close, and therefore the detailed work of committees should not be such as to prolong the sittings of committees at this time. I would suggest, Mr. Chairman, that this is the type of bill that needs a detailed and thorough examination by a committee. It is the type of bill, as has been suggested, upon which all those concerned should have an opportunity of making representations and presenting their detailed briefs.

Under the present circumstances it would be most difficult for a committee of the house to give this bill the kind of consideration that it should have, and to bring in a report to the committee of the whole so that the measure could receive adequate consideration or amendment at this session. For these reasons, Mr. Chairman, I felt I should like to complement the remarks which were previously made by my colleague the hon. member for Kootenay West. I feel that we who come from British Columbia have a very valid reason for believing we have good mining laws, mining laws which have been developed out of a long experience in the mining industry. These mining laws result from the fact that British Columbia, once it passed the fur trading era, owes its very existence as a province to mining activities.

I know that in some respects we have always regarded the Yukon Territory as the child of British Columbia, especially so far as mining is concerned. I have heard old-timers in the Cariboo mining country tell

what happened when word of the discovery of gold in the Yukon reached that area. The placer miners dropped their tools and started the trek to the north. I suppose from that beginning mining in the Yukon and in British Columbia have had a close association. It is not only the result of easily established lines of communication, but in large part a matter of the inherited tradition which was carried from British Columbia into the mining development of the country to the north of us.

So, Mr. Chairman, I feel it is not only fair but proper that, with that background, those of us who come from British Columbia should view with a rather jaundiced eye any proposal which would make the mining law of the Yukon Territory a basically different arrangement from that which we have in British Columbia.

The Deputy Chairman: The Minister of Northern Affairs and National Resources.

Mr. Gillis: If the minister wants to speak, it is all right.

Mr. Lesage: I just thought we could finish up by six o'clock and have the bill distributed as soon as possible to the interested parties.

Mr. Gillis: I know that hope is doomed. I should like to compliment the hon. member for the Yukon upon the statement he made this afternoon and the manner in which he handled the proposition. I believe he demonstrated that, regardless of where you sit in the house or how close you are to the minister, matters that affect the people you represent are your first consideration. I was pleased to see the hon. member stand up, well prepared, and make the arguments that he did.

I feel that listening to him and listening to the minister this afternoon would convince anyone that this is not just a Yukon or a British Columbia problem. It is a problem that affects the whole country. The hon. member pointed out he was opposed to permitting the government to carry on the future development of that portion of the country under regulations rather than under an act that would spell out what the development was going to be. I believe his opposition and his talk this afternoon was timely. What has retarded development, and built monopolies that control resources in many provinces of Canada, has been the very thing he feared may take place if this basic act is thrown away and the minister is given power to make regulations from Ottawa. The departmental officials may be doing business with someone from Bay street whose only concern would be grabbing large territories, staking them out and putting in a closure clause which would prevent anyone going in there in the future even for the purpose of exploratory work.

This condition prevails in some of the provinces. I know it prevails in my own province today. One coal company and one or two metal companies have practically everything in the province staked out and no prospector is permitted to go in there and do any prospecting, with the result that no development is taking place. I think the hon. member is absolutely correct. I know you cannot argue the details of a bill you have not seen. However, despite the fact that we have before us only the resolution in which the minister asks for the privilege of bringing in a bill to deal with this matter, I think the hon. member was well advised this afternoon to take the position he did take, and to put on record, chapter and verse, for the guidance of the committee who will be looking at the bill at a later point, all of the implications he sees within the legislation. The hon. member comes from the area affected; he represents those people, and he knows what the development has been in the past under regulations, and having regard to ministerial powers. He is absolutely right when he takes the stand that the development of that part of the country should be carried out under a basic act that spells out just exactly what can be done to protect the rights of the people in that area, so that they can go out and prospect, and have a share in its future development.

I would recommend that any hon. member who sits on the committee should read the speech delivered this afternoon by the hon. member for Yukon. There is not sufficient time now to discuss the different methods of staking, and that sort of thing; but I believe the arguments the hon. member made this afternoon are valid. I am convinced that the procedure of developing that part of the country by regulation, and by remote control, is a wrong one. I know it has been done in some other provinces; and the hon. member fears the same thing may take place in the Yukon. There can be no doubt other provinces are greatly in need of development at this time; but very little can be done about it because one is not even allowed to go in and do a little prospecting so that the country may be developed. It is all sewed up; it is closed out. The minister can do what he likes and do it in any way he likes; one might think he had the lease of a section of land, only to find out that the minister had decided to give it to somebody else—and without even consulting the person who was interested.

That sort of thing can go on under regulations. I believe the time has come, in connection with our work in the House of

Commons, when, in considering legislation, no one who is sitting behind the scenes and who has not discussed the matter with members of parliament should be permitted to write regulations around an act of parliament, completely destroying its use.

I was glad to hear the minister say that in addition to introducing a bill he is going to bring in regulations written around the bill. While the minister may do that, there is nothing to prevent someone later on writing other regulations, without consultation with anyone. I think members in the House of Commons should continue to hammer against the trend to proceed by way of regulations; otherwise we will be losing the powers of parliament. If we are content to sit here and pass legislation, and then have the whole thing run by regulation from behind the scenes, and by men who are not responsible to the people of this country, as are members in the House of Commons, then parliament will have reached the position where it is being managed from outside. And already there is too much of that going on.

I would hope that the hon. member for Yukon, who did us a service this afternoon in the speech he made, will not suffer any repercussions within the inner circles of his party because he has had the courage to get up and to do what any member of parliament should be obliged to do, and that is to stand on his feet and, regardless of where proposals may come from, represent his area and fight for his people.

Mr. Fulton: Mr. Chairman, as it is almost six o'clock, perhaps you would call it six o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Knowles: What is the business for tomorrow?

Mr. Lapointe: We will be taking estimates of the Post Office Department and the Department of Agriculture.

Mr. Green: Is it the intention to move for interim supply tomorrow? The Minister of Finance told me last evening that he would be doing so, and I thought he said it would be tomorrow.

Mr. Lapointe: If the leader of the house so announced, then we shall do so. However, I have no word of it.

Mr. Green: He may have said that it would be Friday, but I understood it was tomorrow.

Mr. Lesage: It has to be done before the end of the month.

Mr. Lapointe: It would be tomorrow or Friday.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, May 26, 1955

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, May 26, 1955.

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 26th May, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
J. F. Delaute,
Secretary to the Governor General
(Administrative)

BANKING AND COMMERCE

Fourth report of standing committee on banking and commerce.—Mr. Cannon.

ALBERTA-BRITISH COLUMBIA BOUNDARY

LEGISLATION CONFIRMING NORTHERLY PORTION

Hon. George Prudham (Minister of Mines and Technical Surveys) moved the first reading of Bill No. 412 (from the Senate), respecting the boundary between the provinces of Alberta and British Columbia.

Motion agreed to and bill read the first time.

QUESTIONS

ROYAL CANADIAN NAVY—TORPEDO TUBES

Mr. Diefenbaker:

1. Did the Canadian Locomotive Company Limited of Kingston receive a contract for torpedo tubes from the Royal Canadian Navy in or about the month of May, 1953, as announced in the Canadian press on the 13th May, 1953?
2. If so, has such contract been completed? If not, to what extent?
3. What was the price per unit, or if a cost plus contract, what were the terms thereof?
4. What is the total expenditure under this contract to date?
5. Was the contract for the above order not previously awarded to another contractor?
6. If so, what was the name of the said company and why was the change made?

Mr. Dickey:

1. Yes.

2. No. Contract suspended October 29, 1953, pending service decision on the torpedo for which the tubes are designed.

3. Cost plus 7½ per cent on production. Cost plus 5 per cent on self-manufactured tooling.

4. Nil under production contract. (Expenditures on development work have amounted to $251,929.99.)

5. Yes.

6. Dominion Engineering Company Limited. Agreement as to contractual terms could not be reached.

*NATIONAL REVENUE—COMMUNICATION OF INFORMATION

Mr. Knowles:

1. Did the Minister of National Revenue communicate to the premier and provincial treasurer of Ontario any information concerning any payments or contributions made by the late Mr. James Drohan to Mr. James Dempsey?
2. On what date was such information communicated?
3. Was such information communicated in writing? If not, in what way was it communicated?
4. Was such information requested by the premier and provincial treasurer of Ontario?
5. When and how did the Minister of National Revenue first become aware of the information so communicated?

Mr. McCann: Mr. Speaker, this question calls for an oral answer. My answer is the following. The Minister of National Revenue has no right and is expressly forbidden by statute to disclose to anyone not legally entitled thereto the information which he disclosed to the provincial treasurer of Ontario, who was legally entitled thereto. The Minister of National Revenue has not in fact disclosed this information to anyone not legally entitled thereto.

The Minister of National Revenue has never confirmed that all or any part of the alleged information which has been discussed in the press and in and outside the House of Commons in connection with this matter is the same in whole or in part as that which he disclosed to the provincial treasurer of

Ontario. For him to do so would be a disclosure of information in contravention of the Dominion Succession Duty Act.

The Minister of National Revenue cannot, without making a disclosure forbidden by the statute, either indicate the nature of the information communicated to the provincial treasurer of Ontario or other details, other than to say in reply to the questions of the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Prince Albert (Mr. Diefenbaker) that the said information was conveyed to the provincial treasurer of Ontario on April 27, 1955.

I suggest, sir, that this also is the answer to the questions put yesterday by the hon. member for Prince Albert.

[*Later:*]

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Minister of National Revenue if he will consider answering the part of my question which asks when and how the Minister of National Revenue first became aware of the information which he communicated to the provincial treasurer of Ontario on April 27?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, my full answer is given in the statement which I have given to the house.

[*Later:*]

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to revert to the matter on which the minister just made his statement, to ask him one very simple question to which a categorical yes or no answer can be given without in any way invading any of the secrecy provisions. Did the minister procure the documents in question from the executors of the estate or were they documents in the possession of his department?

Mr. McCann: Mr. Speaker, in fairness, I am a poor, uneducated man as far as legal matters are concerned. I ask the hon. member, do you consider it fair to try to trap me into answering questions from one who is supposed to be well trained in the legal profession? In my statement I have given what I believe is a fair, honest answer with reference to the questions asked by the hon. member for Winnipeg North Centre and the hon. member for Prince Albert. If you wish to ask further questions, be good enough to give me notice of them according to the tradition of the house, or put them on the order paper.

[Mr. McCann.]

Mr. Diefenbaker: Mr. Speaker, notice was given yesterday, and it is a simple question. Did you get the documents—

Some hon. Members: Order.

Mr. Diefenbaker: Did the minister—

Some hon. Members: Order.

Mr. Diefenbaker: Did the minister get the—

Mr. Speaker: Order.

Mr. Diefenbaker: Did the minister secure these documents from the files of his department? Surely that is not a question that requires notice.

Mr. Speaker: Order. The hon. member put a question and the minister has given a reply to the best of his ability, which reply may not be satisfactory to the hon. member. Now the hon. member is putting the question again. I do not think matters will be further advanced if the question is repeated, because apparently the hon. member would get the same answer.

Mr. Knowles: May I ask the Minister of National Revenue if it is fair for him to suggest that we put our questions on the order paper when he neglected to answer at least three parts of my question, which has been on the order paper for over two weeks?

Mr. McCann: I suggest that if the hon. member will read the statement he will find that all his questions were answered.

Mr. Knowles: Did the premier of Ontario request that information? We have had no answer to that or to two other parts of my question.

RADIO SAGUENAY LTEE.

Mr. Gauthier (Lake St. John):

1. Will the Canadian Broadcasting Corporation include in its network the private television station to be erected by Radio Saguenay Ltee, at Jonquiere, Quebec?
2. If so, on what date?
3. What proportion of Canadian Broadcasting Corporation programs will be relayed by this television station?

Mr. McCann:

1. No.

2. See answer to No. 1.

3. The proposed television station to be erected by Radio Saguenay Ltee, as all other private television stations under established policy, may if it so wishes secure free of charge all C.B.C. national service programs by microwave connection or kinescope recordings from the time they go on the air.

BOARD OF TRANSPORT COMMISSIONERS —COMPETITIVE RATES

Mr. Starr:

1. Has the board of transport commissioners made any regulations in respect of the manner in which railway competitive rates may be acted upon and put into operation?

2. If so, what are the regulations presently in effect, in respect to competitive rates?

3. If such regulations have been made and none are presently in effect, what are the latest regulations with regard to the manner in which railway competitive rates may be acted upon and put into operation?

Mr. Langlois (Gaspe):

1. Yes.

2. (1) Competitive rates comprising reductions from existing published rates, which, owing to the exigencies of competition of transportation services not subject to the board's jurisdiction, are urgently required to be brought into immediate effect without previous notice to the board, may be acted upon before filing with the board, but the initial carrier, or duly appointed agent, must forthwith publish such rates and file the same with the board, effective as from the date of the movement of the traffic. The filing advice covering the filing of such schedule shall be accompanied by a clear statement of the reasons for such publication, the name of the party for whom the rate was made, the rate and the name of the carrier with whom competing, the rate which would otherwise apply in the absence of such publication, and such other information as will satisfy the board as to the bona fides of the action taken.

(2) Competitive rates (local or joint) comprising reductions from existing published rates may be published without prior notice where such action is to equalize existing rates of competing routes (subject to recognized differentials, if any, between rail and water carriers) between common points of carriers subject to the board's jurisdiction. The filing advice shall be accompanied by a clear statement of the necessity for such action and detailed reference to the rate and tariff authority of the existing published rate of the other carrier or carriers.

(3) Competitive rates may be published to expire on any date subsequent to the effective date thereof provided that such date of expiration is shown in the schedule when issued.

3. Answered by No. 2.

QUESTION PASSED AS ORDER FOR RETURN

COAL AND STEEL SUBVENTIONS AND REBATES

Mr. Gillis:

1. What amount of money was paid the Dominion Steel and Coal Corporation, for the year 1954, (a) as subvention for the movement of coal; (b) for the movement of steel; (c) as a drawback on coal used for metallurgical purposes?

2. What amount of money was paid the Sydney and Louisburg Railway, (a) as a subvention for the movement of coal; (b) as a rebate under the Maritime Freight Rates Act?

Mr. Pinard: Return tabled.

POSTAL SERVICE

NOVA SCOTIA—ALLEGED DELAY IN MAIL DELIVERY

On the orders of the day:

Mr. G. T. Purdy (Colchester-Hants): Mr. Speaker, I should like to direct a question to the Acting Postmaster General or to the parliamentary assistant. My question is this. In view of the serious inconvenience being suffered by a large number of patrons of the post office in Nova Scotia due to the delay in mail delivery, caused chiefly by a two-hour change in the time of the so-called mail train leaving Halifax, will the department at once take active steps in an endeavour to correct this situation?

Mr. T. A. M. Kirk (Parliamentary Assistant to the Postmaster General): Mr. Speaker, may I assure the hon. member that the department will take the matter into consideration and will as rapidly as possible make the necessary inquiries.

NATIONAL DEFENCE

ARTILLERY CENTENARY CELEBRATION—WEAPONS ON PARLIAMENT HILL

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of National Defence. Can the minister inform the house whether all the weapons of war in front of the parliament buildings today are the property of the Canadian government?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, so far as I know they are all the property of the Canadian government, with the possible exception of the "Nike".

PROPOSED DEMOLITION OF PART OF QUEBEC CITADEL

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): I should like to direct a question to the Minister of National Defence, of which I gave notice. Has the minister received a protest from the Quebec historical society concerning the decision by the Department of National Defence to demolish an old part of the Quebec citadel called "Le Bastion de Gaulle" to make way for a new building for the Royal 22nd Regiment? Is it the intention of the department to reconsider this decision?

Inquiries of the Ministry

Hon. R. O. Campney (Minister of National Defence): I have received one or two letters with regard to the matter raised by the hon. member, as a result of which the matter is now being reviewed.

REPORTED APPEARANCE OF CANADIAN SOLDIER IN EAST GERMANY

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of National Defence. Has the minister any information regarding a Canadian army private by the name of Cross who is allegedly in the eastern part of Germany? Has he any information as to whether Private Cross went of his own volition or was taken to East Germany forcibly?

Hon. R. O. Campney (Minister of National Defence): I have no further information other than has appeared in the press, except the fact that Private Cross proceeded on leave on May 2 and was due to return on May 18. When he did not return he was posted as absent without leave, and that was the first indication the brigade in Europe had of the matter. It is being investigated by our security people in Germany.

FLOODS

MANITOBA—INQUIRY AS TO REQUEST FOR ASSISTANCE FROM PROVINCIAL GOVERNMENT

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): I should like to direct a question to the Prime Minister. Has the government received from the government of Manitoba a request for emergency assistance with respect to flood conditions in that province? If so, what steps are being taken by the government to make such assistance available?

Right Hon. L. S. St. Laurent (Prime Minister): I received notice of the hon. member's question only a few minutes ago. No request has been received in the Prime Minister's office nor in the offices of the Minister of Justice or the Minister of Agriculture, but I understand a request was made in the usual form by the attorney general of Manitoba to the Department of National Defence for the assistance of members of the armed forces in patrolling and repairing the dikes on the Assiniboine river. That is the only request from the government of Manitoba that appears to have been received up to the present time.

[Mr. Dufresne.]

PRIVILEGE

MR. KNOWLES—REFERENCE IN DEBATE TO HON. MEMBER FOR GRENVILLE-DUNDAS

Mr. Stanley Knowles (Winnipeg North Centre): I rise on a question of privilege in connection with an error which I made in the course of a speech on Friday, May 20. May I say, Mr. Speaker, that I am indebted to one of the members of our protective staff for calling my attention to this error.

Mr. MacDougall: Don't tell me he reads your speeches.

Mr. Knowles: I think hon. members should be aware of the fact that we are being watched by those who surround us.

Mr. Martin: Only the hon. member is being watched.

Mr. Knowles: I referred to a vote which was taken in the House of Commons on March 8, 1921, and I indicated that the present member for Grenville-Dundas (Mr. Casselman) voted against the motion which was before the house on that occasion. It has since been drawn to my attention that although the present member for Grenville-Dundas was elected in 1921, he was not elected until December of that year. The Mr. Casselman listed in that vote was Mr. O. D. Casselman, who represented Dundas county at that time. Apparently there are quite a few people in that area by that name. I am happy to make the correction, so that the record will be accurate, and I am happy also to do so because it gives me the opportunity, as one party whip to another, to send best wishes for a speedy recovery to the hon. member for Grenville-Dundas.

HOUSING

REGENT PARK PROJECT—REPORTED DELAY IN FEDERAL-PROVINCIAL AGREEMENT

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): Has the attention of the Minister of Public Works been drawn to the report in today's *Globe and Mail* to the effect that the Toronto city council cannot proceed with the Regent Park South housing project owing to delay in completing the federal-provincial agreement? Can the minister comment on that, and indicate the cause of the delay?

Hon. Robert H. Winters (Minister of Public Works): To the best of my knowledge there is no delay on the part of the federal government, nor in fact do I know of any delay.

GRAIN

WHEAT—EFFECT ON CANADA OF SALE BY UNITED STATES TO ITALY

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): I should like to ask the Minister of Trade and Commerce to comment on what effect the recent sale of wheat by the United States to Italy will have on Canadian wheat exports.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am unable to comment on that question, because I do not know. If a sale of wheat is made by the United States, the same sale will not be made by Canada.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

INTERIM SUPPLY

Mr. Harris moved:

That a sum not exceeding $257,705,895.34, being one-twelfth of the amount of each of the items to be voted, as set forth in the main estimates for the fiscal year ending March 31, 1956, laid before the House of Commons at the present session of parliament; and in addition thereto, a sum not exceeding $3,122,487.50, being one-twelfth of the amount of items 216, 219, 221, 223, 224, 229, 520, of the said estimates be granted to Her Majesty on account of the fiscal year ending March 31, 1956.

Mr. Macdonnell: I understood the minister was going to make a statement by way of explanation.

Mr. Harris: I shall make it now; then it will not be necessary to make it on the bill.

As hon. members are no doubt aware, this is a vote of one-twelfth of the estimates to cover expenditures during the month of June. There is an additional vote of one-twelfth in respect of seven special items having to do with items where money is urgently needed at this time of the year.

I give the usual undertaking that if the resolution and bill are passed there will be no restriction whatsoever on the opportunity and privilege of hon. members to discuss items in the normal way on the estimates.

Resolution reported, read the second time and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

The house in committee of ways and means, Mr. Robinson (Simcoe East) in the chair.

Mr. Harris moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain

expenses of the public service for the fiscal year ending 31st March, 1956, the following sums be granted out of the consolidated revenue fund of Canada, namely:

1. The sum of $257,705,895.34, being one-twelfth of the amount of each of the items set forth in the main estimates for the fiscal year ending March 31, 1956; and

2. The sum of $3,122,487.50, being one-twelfth of the amount of items 216, 219, 221, 223, 224, 229, 520 of the said estimates; as set forth in the resolution concurred in this day in the committee of supply.

Resolution reported, read the second time and concurred in.

Mr. Harris thereupon moved for leave to introduce Bill No. 413, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1956.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

Clauses 1 and 2 agreed to.

On clause 3—*$3,122,487.50 granted for 1955-56.*

Mr. Knowles: Mr. Chairman, can the minister say a word as to the reason for the extra money that is required by the Department of Mines and Technical Surveys, covered in clause 3, and which is referred to in schedule I.

Mr. Harris: I have just been depriving myself of my notes in order to be of assistance to the staff of the house in reporting this discussion, but in this particular case I think my friend is aware that we do a lot of extraordinary work in the summer with the assistance of university students and the like, who go out on survey parties. We need the money at this time rather than in the fall.

Mr. Macdonnell: Is any additional expenditure required this year by reason of the unemployment situation, or is it just normal?

Mr. Harris: This is the result of a long period of endeavour in the Department of Mines and Technical Surveys to expand the work of exploration to be of assistance in the development of the country.

Clause agreed to.

Clause 4 agreed to.

Schedule agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

POST OFFICE DEPARTMENT

334. Departmental administration, $1,546,388.

The Chairman: May I draw the attention of hon. members to the fact that this resolution may be found on page 54 of the main estimates, and the details commence on page 440. Shall the resolution carry?

Mr. Pickersgill: I should like to say just a word, if I might. As hon. members know, I have been acting for the Postmaster General since his unfortunate illness. I am sure all hon. members will be glad to know that he is making very good progress indeed, and that he hopes to be back in his place in the house at a very early date; and no one hopes with him more sincerely than I do. But I would not want to misrepresent the situation. During his absence the person who really has carried the brunt of his work is our colleague, the hon. member who is his parliamentary assistant. While I am going to remain in the committee and take my constitutional responsibility as the temporary incumbent, the hon. gentleman knows far more about the estimates than I do, and I hope hon. members will feel it will be quite satisfactory to have him answer the questions and make the opening statement as well.

Mr. T. A. M. Kirk (Parliamentary Assistant to the Postmaster General): Mr. Chairman, I thought probably hon. members would prefer it if I gave a more or less general report on the operations of the Post Office Department for the fiscal year ending March 31, 1955, before proceeding to a discussion of the estimates for the fiscal year 1955-56 which are now before the house for consideration.

The fiscal year which closed on March 31, 1955, was the largest in the history of the postal service from the standpoint of the volume of mail handled and revenue collected. The increase in the number of pieces handled during the year was approximately 6 per cent. This resulted in a total of approximately 3,355 million pieces. The revenue increased from $129 million to $151 million, which is approximately a 17 per cent increase.

It is estimated that on the 1954-55 year's operations there will be an apparent surplus of revenue over expenditures of approximately $5 million, but this does not take into account the rental on accommodation supplied by the Department of Public Works on the one hand, or the amount involved in free postage privileges on the other. The annual rentals on buildings provided by the public works department is estimated by that department at $13 million for the last fiscal year. The free postage privilege represents an amount which is estimated as being in the neighbourhood of $5 million.

During last year the department completed the reorganization of the postal service in accordance with the major recommendations made in the Woods-Gordon report. The benefits of this reorganization and the subsequent decentralization of authority to field officers are already being felt. There have been considerable improvements made in the service during the fiscal year, which have resulted in greater efficiency and increased economy.

As the human element enters to an appreciable extent into the operations of the postal service it is impossible to entirely eliminate irregularities due to individual errors, but the department is continually endeavouring wherever possible to take the necessary corrective measures. This is why we appreciate the cases which have been brought to our attention from time to time, which have enabled us to make inquiries and take remedial action when necessary.

Unfortunately many of the complaints made are based on incorrect information, and are often attributable to a non-observance by the complainants themselves of the regulations issued by the department for their guidance. It is largely for this reason that we request exhibits in the way of envelopes or wrappers when dealing with complaints. During the year there have been numerous extensions of service. In the rural districts the number of rural mail routes has been increased by 56. In addition there have been 574 extensions granted, and the frequency of service has been increased in the case of 80 routes. As a result direct service has been given to more than 21,500 additional householders.

In regard to letter carrier delivery in the urban centres, in addition to the points where letter carrier delivery has been inaugurated there have been numerous extensions of existing routes, so that the total number of points of call made by letter carrier has increased by 93,500.

Group boxes have been installed both on rural routes and on the periphery of letter carrier delivery. This service is becoming increasingly popular and at the present time constitutes the method of delivery to more than 4,000 families, who in the majority of cases formerly had to go to the post office for their mail.

Since the amendment to the Post Office Act providing that the Postmaster General may

increase the rate of payment to mail contractors under certain conditions, more than 5,000 applications have been received. Upward adjustments have been effected in over 3,500 cases, and the actual additional expenditure through these adjustments is now approximately $850,000 per annum, which will be increased as additional cases are dealt with and adjustments granted.

Some 35 new motor vehicle services have been established. Some of these superseded rail services, in some cases due to the withdrawal of the trains, and generally the change has resulted in an improvement in the mail service.

The last fiscal year was the initial year of the five-day 40-hour week in the operating service. This resulted in an additional expenditure of approximately $4,600,000 and involved additional staff to the extent of 1,400 employees. The additional volume of mail handled and the improved service given have necessitated increases in staff, but these increases bear a very favourable comparison with the increase in the number of pieces handled and the increase in revenue.

The policy of the department is to reduce overtime wherever practical and this has been accomplished to a large extent by the employment of casual or part-time help. Overtime is, however, necessary, particularly at the Christmas period when the volume of mail increases manyfold, and also on statutory holidays.

There has been continued improvement in the letter carrier delivery service to those residential areas which receive one delivery a day, and although there were a number of complaints when the one delivery per day was established, these have been considerably reduced. The five-day week and delivery on six days a week involve a rotation problem which cannot be avoided, so that deliveries must be made periodically by relief carriers who are not so well versed on all the details of the routes as are the regular letter carriers.

As regards revenue postmasters, that is to say the postmasters who are in charge of the small offices, the department, after extensive study, is introducing a new system of payment. The annual rates of compensation which are already being paid in some instances and which will be paid in all cases in future will be based on the work load of the office rather than the actual revenue. This will be a much fairer system in so far as the individual postmasters are concerned, as in a number of cases the revenue did not properly reflect the work of the office.

The employment conditions of revenue postmasters are further being improved under the terms of the Public Service Superannuation Act. It is estimated that 1,200 additional postmasters will now fall within the provisions of that act. This is a privilege which is greatly appreciated by these hard-working postal employees. Further, 28 offices have been raised from a revenue to a semi-staff basis. This means that the postmasters and staffs of these offices are now paid according to a classified fixed salary wage, and receive benefits comparable to those enjoyed by civil servants. In addition 22 semi-staff post offices have been reclassified to full staff basis, which means that employees in those offices will have the full status of civil servants.

One of the features which has an important bearing on the public service is that of postal accommodation. Unfortunately at the present time our accommodation is inadequate in many centres. This is due to two main factors, namely the continued appreciable growth of the postal service, and the fact that during wartime and in the period subsequent thereto the building program was somewhat retarded.

During 1954-55 some 35 projects of different sizes were completed which will facilitate service to the public. There are in addition 61 projects which are either under construction or for which tenders have been called. These include such large buildings as the post offices at Vancouver, Winnipeg, Regina, and other comparatively large centres. Furthermore, there are 181 projects for which plans are being prepared and studied further, both by the public works and post office departments.

The department is continuing to study and develop the most economical and efficient method of mail handling. We have also initiated a program of work simplification. Significant progress is being made along these lines which we feel will further improve the efficiency of the service. The department is pioneering and developing a system of electronic sortation, and is also developing mechanical facing-up machines which will not only speed up the handling of the mail but will render the performance of post office tasks performed by the individual employees less onerous and laborious.

The number of employees in the postal service, including mail contractors, now totals approximately 50,000. Of these approximately 23,000 are civil servants, 13,000 are mail contractors and the balance, approximately 14,000, are the postmasters and assistants in revenue post offices.

There has been a continuous development in the transportation of mail by air. In the domestic service, the increase in the weight limit of "all-up" letter mail to eight ounces

has resulted in a sharp increase in the volume carried, with corresponding advantages to the mailing public. In the international sphere the department has extended its services wherever air transportation is available, and has developed air transportation to many international points for parcel post and other categories of mail in addition to letters.

A reduction in international air transportation charges has enabled the department to reduce postage rates to the mailing public, and also to extend the 10-cent air letter form to any post office in the world.

Mr. Balcer: Mr. Chairman, I should like to join with the acting minister in hoping for, in the name of all members of the official opposition, the early return of the Postmaster General. At the same time I would express our congratulations to the parliamentary assistant who is acting for him in the presentation of his estimates.

The parliamentary assistant has painted a rosy picture of the activities of the department, but I must say the Canadian public certainly had the right to hear of great improvements in the Post Office Department, especially since this year the estimated revenue of the department—that is for the fiscal year 1954-55—will be $132 million, which means $22 million more than last year, while the expenditures will show an increase of $13 million.

I would imagine that with this increase of $13 million in expenditures the department must have made great improvements all across Canada. The situation must be very different from what it has been in previous years. During the discussion of the present estimates I hope the parliamentary assistant will have the opportunity of giving us many examples of these improvements. There is, however, one place where I believe improvements are greatly needed. I refer to the problems of the suburban areas of our great cities across Canada.

By its policy the Post Office Department, in previous years, has caused a great deal of hardship to the people who are settling in the suburban areas around these big cities. In practically every new housing development in Canada the post office was always the last service to be offered to the people. Most of the time the municipal authorities were spending hundreds of thousands of dollars—even a million dollars—to provide the new suburbs with water, sewage and streets. The school boards were spending money. The telephone companies and power companies were trying to help these people. Usually the only thing missing was the postal service.

The postal service is always given about a year or two after these people have been established. Most of the time they were obliged to practically form an association and then enrol the support of the chamber of commerce, the municipal council and the churches in order to get even a mail box. I remember a few cases of that kind. Then they had to work for years following the same routine and making appeals to their members to get a certain service. Most of the time their campaign to get postal service was blocked by some sort of semi-secret regulation in which there was always some clause that prevented any improvement. There was always some regulation standing in the way; the houses were too far apart, they were so many yards apart or there were not enough houses on the street, and so on and so forth.

After the municipalities and the school boards had spent millions of dollars, it is hard to imagine that the Post Office Department would not believe in spending $25 for a mail box or a half hour or an hour of the mail carrier's time just to give these people some service. It sounds ridiculous, but I have witnessed some real hardship in my own riding.

I remember that in Three Rivers we had such a new district where most of the men were labouring men who worked until six o'clock at night in an iron foundry. It was then too late for them to go to the post office, which was at least two miles away from their houses. They therefore were obliged to send their children there after school, either by bicycle or bus, just to get, most of the time, a bill or some advertisement by mail. That situation lasted for more than two years. Improvement was always blocked by some regulation saying that between two houses there was a distance of over 80 yards. Finally after many representations the situation was corrected, but it took a long time. For these people the situation was really discouraging. I therefore hope that with the great surplus the department has this year—I mean now that the department is rich—we shall have some definite planning to look after these special cases.

Speaking about special cases, may I say that we have one in my riding, and it is a fair illustration of what these regulations of the postal department are like. In my riding we have an island called Wayagamack island, where we have one of the biggest paper mills in Canada. We have about 25 families living on this island, which is connected with the city of Three Rivers by a bridge. It is, in fact, within the city limits of Three Rivers. The people on that island have had

mail service since 1917. They had that mail service until January 31, 1951, when the collapse of the bridge across the St. Maurice river stopped the mail for a while. On August 13, about eight months afterwards, the communications were repaired and the service was re-established, so everything was all right. This service these people had enjoyed for over 30 years was re-established. But unfortunately the postal department discovered there was a certain regulation they could apply, and they cancelled the service.

Ever since then these people have been trying to get their postal service re-established. They tried to get it by means of all kinds of requests. They sent requests and even delegations to the deputy postmaster general, but to no avail. After having had the service for 30 years, we now find that the postal department have decided these people are not entitled to it. If the department felt for 30 years that these people deserved the service I think it sounds rather silly all of a sudden to invoke some regulation in order to stop such a service.

Now that the department has a great deal of money on hand, or has a great surplus, I think it is about time something was done. I suggest that at the next session of parliament a committee of the house should be set up to study these regulations. So far as I know the regulations are not codified. I think it is time the government set up such a committee, in which people with experience from all across Canada could sit around a table and discuss these regulations. I am quite sure there are some regulations that must be absolutely out of date and of such a nature that they do not fit into the regular life of our Canadian people.

For instance, there are certain regulations which state that in order to get a post office, a town must have so many people; that in order to have delivery of mail in certain areas by carriers there must be a certain population, and so forth. These regulations worked very well for a while, but I think it is about time they were reviewed. I believe this would be a grand opportunity for the government to set up a committee to discuss these matters. Most members have had a good deal of experience with these things, and cases are different from one end of Canada to the other.

I know, for instance, that in the city of La Tuque, north of Three Rivers, delivery by mail carrier has been an electoral promise for the last 30 years. It sounds a bit strange that a city of the importance of La Tuque cannot get service by mail carrier. I know there is always some regulation in the postal department which says that for such and such a reason these services cannot be provided, but I think all these regulations should be reviewed. Now that the department has enough money to make some real improvements, this is the proper time to correct the situation and remove the hardship from the people of these cities.

There is another point I should like to raise, having to do with a situation that I think is not quite fair. It has to do with the cost of mailing letters between Cap de la Madeleine and Three Rivers. The two cities are adjacent to each other, and are only separated by the St. Maurice river. Many of the people of Cap de la Madeleine work and do their business in Three Rivers, and the reverse is also the case to some extent. It is rather surprising that the people there have to pay an extra cent to send mail from Cap de la Madeleine to Three Rivers and vice versa, when on the island of Montreal a letter can be sent a distance of 10 or 15 miles at exactly the same rate of postage.

I think these matters should be discussed and corrected. I believe it would also be good for the people of Canada if the regulations were codified so that every time a special situation arose in some part of Canada the people of the area would be able to look at the regulations and see what they had to do to get mail delivery. Up to now the practice has been that they have to write the deputy postmaster general, who issues a certain regulation to the local postmaster. I do not think this is the proper channel to have to go through. I believe the regulations should be set forth in codified form so that people all across Canada can go to the book and find out exactly what is what so far as mail service is concerned.

I was very pleased to hear the parliamentary assistant refer to a few improvements in the postal service, but I can assure him that the people of Canada, who had to suffer a tremendous increase in the rates of postage last year, should receive much better service than they used to get and are getting now.

The reduction in service from two deliveries to one delivery a day has hurt a lot of people. I know that on a certain street in my riding there is a man who is a great reader of the morning newspaper, *Montreal Matin*, and the poor man does not get his paper until around six o'clock at night. He is very disappointed. I think something should be done to rectify these special situations. Before we are finished with these estimates I hope the parliamentary assistant will be able to tell the house what great plans the Post Office Department has for the coming year,

and will be in a position to announce to the house and the people of Canada great improvements in the postal department in the near future, because the department costs the people of Canada a lot of money and had quite a surplus during the last year.

Mr. Regier: Mr. Chairman, the members of this group would also like to express their keen desire to see the early return to active duty of the Postmaster General, with his genial personality. I think I can honestly say that if there is any cabinet minister whose absence we feel keenly it is the most pleasant Postmaster General of Canada. We are looking forward to the day when he will be in his place again and able to resume his responsibilities. We were highly impressed a year ago, when he was under very severe fire from the opposition, with the able manner in which he held his own ground.

At this time I should also like to express the appreciation of this group to the many thousands of employees of the Post Office Department. It is one department of government, in my opinion, in which you can notice a pride of service that is not found in any other department. Perhaps it is because the Post Office Department is many years old that we find a situation where even the humblest of civil servants in the department takes an intense personal pride in his responsibilities and in the fact that he is rendering a worthwhile public service.

Contrary to the attitude just expressed, I believe that on the whole the service rendered by the Post Office Department to the people of Canada is excellent. We retain our right, of course, to criticize what we consider are shortcomings here and there. That is our responsibility. However, I think the average Canadian is very much impressed by the most efficient service the Post Office Department is rendering to the people.

At this time I should also like to express the appreciation, as I know many other individuals and organizations have done, of the people of the lower mainland of British Columbia for the setting up of a metropolitan postal area there. In our opinion this step was long overdue. The cities of Montreal and Toronto and the areas surrounding them have had this great privilege for a goodly number of years, and Vancouver, the third largest metropolitan area in Canada, had to put up a fight in order to gain recognition.

I should like to say to the acting minister that when he set up the metropolitan area we were pleased to have him endorse the principle enunciated by the Postmaster General just before his illness. We were most pleased to see that the Acting Postmaster General did not desert the decisions of the Postmaster General in his absence. However, I should like to point out to him that there are many little isolated places within the metropolitan area which he omitted to include at the time. I sincerely believe it was only an oversight. However, there are places that to all intents and purposes are part of this lower mainland metropolitan area. I hope it will not be too long before places like Port Moody, Port Coquitlam, North and West Vancouver will be included.

While I am speaking about the local situation I should also like to put in a plea for the early establishment of sub-post office facilities for the people of East Burnaby. This was one of the things mentioned at the time the Postmaster General was still able to assume his responsibilities. He did assure us that serious consideration would be given to this matter. We feel that the people of East Burnaby should have some sub-post office facilities so they would not have to spend the time going to North Burnaby, South Burnaby or New Westminster if they want to do any post office business.

Last year I noticed what in my opinion amounted to almost an admission by the Post Office Department that it was one of the few remaining departments of government in which patronage was still tolerated. While it was not said this system was endorsed, one almost got that impression. I should like to make a plea that any sign of patronage be removed at a very early date, because I think the prestige of any department of the public service is to a certain extent dependent on the absence of patronage. In so far as civil service matters are concerned, I believe we are getting away from pork barrel politics, and I should like to see the last vestiges of it removed from the Post Office Department.

I hope the recently announced regulation concerning the deduction of holiday time as a punishment for tardiness is not being applied. I feel that if there are civil servants who repeatedly show up late for work, they should be dealt with as they would be in any other line of employment. The civil servant who insists on being tardy should no longer be retained by the civil service; that is the only honest way of dealing with tardiness. I feel that this business of taking away a man's holiday which he needs, whether he is a tardy civil servant or otherwise, is not to be commended. After an adequate warning the civil servant should be dismissed, rather than have his holidays taken from him.

In connection with the civil service I may say also that I hope the government will see its way clear to setting an example in the

matter of fair employment practices. Rather than granting the 40-hour week only to those postal employees who work in an area where the 40-hour week is prevalent, the department should grant the 40-hour week to all employees, irrespective of what industry in the area may be doing. I feel also that some attention might be given to what I sometimes feel is the rather rapid turnover in employees in the Post Office Department. There seem to be a great number of postal employees resigning and taking other jobs. I think there could well be reasons for this large number of resignations. I do not believe it speaks very well for the post office as an employer when they have to hire large numbers of new employees to replace the members of the civil service who have left.

I listened with a good deal of interest to the speech by the hon. member for Three Rivers. He was complaining about the same thing that many of us are complaining about, and asked for a change in the regulations covering suburban areas. I do not know what change in the regulations he would want, but so far as I can determine there is really no policy in the Post Office Department covering service to growing areas of Canada. There seems to be a tendency to feel that once the post office is established it must remain the centre of distribution regardless of what happens to the area involved. It is readily understandable that those who are operating such post offices would wish to retain this ever-expanding area of service under their personal direction.

I believe the department should have definite conditions—I know that is what the hon. member for Three Rivers meant—that must be complied with before new services can be rendered. We should be able to look at the policy and determine whether or not a section is entitled to door to door delivery; whether it is entitled to these little red mail boxes connected with the pick-up service, or whether it is entitled to postal facilities in the corner store. There should be a policy that would enable us to determine whether an area would be entitled to the erection of a sub-post office. We feel that the policy of the department in connection with these things is far too vague. It may well be that the wheel that creaks the loudest first gets the grease, or it may be that the community that has the most influence with the department is able to get attention first.

We of the lower mainland feel we should not have had to use many of the tactics we had to employ in order to get the 4-cent letter rate. We feel that there should have been a policy covering such matters. I would once again, as I did a year ago, appeal to the acting minister to reduce the first class letter rate. I feel it is an imposition on the people who really need the mail service of Canada to ask them to subsidize the advertising of commercial enterprises. I feel we could very easily lower the 5-cent first class letter rate to 4 cents and still make ends meet if we raise the second class mail rate. I believe you would make many postal employees happy if you imposed such an additional tariff on second class matter, because it would discourage the use of this medium for the promotion of Rinso soap and things of that sort.

I was in the New Westminster post office some months ago, and saw the arrival of monthly magazines. I would call the attention of the acting minister to a recent innovation of the daily newspapers. In my area one may receive a daily newspaper for $1.50 a month, I believe it is; and if one agrees for the period of a year to pay an additional 40 cents a month to the local carrier boy one is entitled to choose from a number of magazines which will be delivered by mail. We in New Westminster are not particularly keen about the magazine known as *True Story*. We regard it as that much trash, and we used to get only one mail bag of this magazine each month. However, since the introduction of this offer at 40 cents a month the New Westminster office receives a dozen mail bags filled with issues of this one magazine. When one considers that the number of magazines available was extensive, that the list was very long, one can imagine at once the additional burden placed on the post office by this innovation of the daily newspapers.

There may have been a time in Canadian history when second class mail required the advantage of a subsidy. There is a howl in certain sections of Canada when mention is made of subsidies for useful purposes, including the sale of our wheat overseas and the sale of Canadian foodstuffs to the people of Canada as well as to other people in other parts of the world. However, I have yet to hear many objections to this hidden subsidy to commercial firms in Canada. If these were essential and the most useful forms of advertising I might not feel so keenly in the matter, but I do not see a particle of difference between Oxydol and Rinso soaps, and I see no reason whatsoever why our faithful civil servants should have loaded on their backs week after week hundreds of pounds of this useless trash, particularly when they might be rendering a much more useful service to society.

There is one more point I would like to raise, one which up to now I have not had a suitable opportunity to call to the attention of the Acting Postmaster General. I had written about it to the Postmaster General, assuming that in his absence mail would be placed on the desk of the Acting Postmaster General or, failing that, at least on the desk of the parliamentary assistant. Instead of that I received a reply from the deputy postmaster general enclosing confirmation of an earlier decision by a lesser official. I resented that, because I feel that when I as a member of parliament write a letter in which I call into question some of the activities of a department, I should receive something more than a reply from a member of the civil service. I feel that is not the customary procedure. No other department of government has ever treated me in this way.

This is what happened. While the postmaster at Port Moody was absent on his holidays there was removed from the post office, by an alleged theft, the sum of $500. The Post Office Department is now withholding $50 a month from the salary of the postmaster at Port Moody until the $500 is recovered. I am told that in many post offices, even in offices as large as that at Port Moody, the postmaster is held responsible for what happens in his absence, even when he is away on holidays. If this is so, then certainly we are not helping those people to take holidays. I do not think postmasters should be held financially liable for whatever may happen in their absence.

I hope the Acting Postmaster General will look into the situation. The postmaster in question is one of the most highly honoured in the community.

Mr. Pickersgill: Did I understand the hon. member to say that he had written me a letter to which I had not replied?

Mr. Regier: No, I wrote to the Postmaster General. However, I had assumed the letter would be placed on the desk of the Acting Postmaster General, or at least on that of the parliamentary assistant. I regret that for various reasons I was not able to call it to the attention of the Acting Postmaster General. I mention this merely to emphasize to him the way many members of parliament feel in regard to the Post Office Department; that there is a self-styled postmaster general of Canada who has no right to be a postmaster general because he has not been designated as such. In saying this I am referring to the deputy postmaster general.

I feel that the procedure of making the postmaster at Port Moody pay for something that happened in the post office in his absence is most unwarranted. This man is most highly regarded in his home town. He is a veteran of the first world war. On two separate occasions, at great risk to his own personal safety, in cases of fires in that town he saved for the Post Office Department thousands of dollars. He has been an alderman for many years; and to have him thus penalized for something he had nothing to do with is not, in my opinion, a fair procedure when dealing with a good and faithful civil servant.

Then I have one other complaint, which I think is nation-wide. This complaint deals with the renting of post office buildings. I do not think we can argue that the government of Canada ought to own all the many small buildings in which post offices are housed. I do not think anyone would be logical in asking for that. I notice from the public accounts that in the year ending March 31, 1954 no less than 1,946 public buildings were rented by the government of Canada, through the Department of Public Works, where the rental was less than $250 a month. I assume that most of these buildings housed post offices. The total rental paid in that fiscal year for these buildings was $1,432,442.

I do not think one could argue against that expenditure. Indeed, on the whole we have expressed our satisfaction with it. A man who lives in a building and permits the government to use part of it as a post office is certainly entitled to receive some compensation. It would be poor business for the department to go out on a limb to the extent of erecting public buildings in every little hamlet in Canada.

However, the Department of Public Works, again chiefly on behalf of the Post Office Department, paid out in rentals in that same year the sum of $3,399,051. This was paid to people who received rentals for buildings in excess of $3,000 a year. In looking over the rates of rental paid I noticed that in one case it went as high as $2.20 a square foot a year. This is an exceedingly high rate for some of the smaller centres of Canada. In most of the urban centres of Canada adequate facilities might well be rented for $1 a square foot a year. That is considered a fairly high rate of return. I am just wondering why in some cases rentals are so high.

This is what I do not like to see happen, Mr. Chairman. Somebody is offered a lease by the Post Office Department, which agrees to rent a certain specified building for a 10-year period at a fixed yearly rental. This individual, who possibly does not even own a lot, much less a building, can then take the lease and walk over to see his bank manager and say, "I have an agreement with the government of Canada which will pay me for this accommodation so many dollars a month

for the next 10 years. I am willing to assign my rent to you. Will you lend me the money to buy the lot and put up a building?"

If we are not careful, Mr. Chairman, this is what can happen. A man can rent a building costing $25,000 for $500 a month. He is assured of paying the cost of the building through monthly payments of $250 without investing any money of his own whatsoever. He can receive a net return of $250 a month, yet make no contribution whatsoever to the public interest.

Mr. Kirk (Shelburne-Yarmouth-Clare): Will the hon. member permit an interruption at this time? The Post Office Department does not rent buildings; it obtains them through the Department of Public Works. We tell them of our needs.

Mr. Regier: I fully realize that, Mr. Chairman. At the same time I also realize that the Department of Public Works will not put up a building for the Post Office Department unless the Post Office Department asks for a certain building to be put up.

Mr. Kirk (Shelburne-Yarmouth-Clare): We ask for appropriate accommodation. We do not ask them to put up a certain building in a certain place. We want a building in a suitable location which will meet our requirements.

Mr. Regier: I am glad to have the parliamentary assistant now put the blame for what is happening on the Department of Public Works. If that is the case we shall raise the matter again when the estimates of the Minister of Public Works are before us. If that is the proper time to raise it, we certainly shall do so. However, if it is good business for an individual to put up a building in such heavily populated areas as the city of New Westminster, the municipal district of Burnaby, the city of Port Moody, the area around Surrey—and I know it is happening in other parts of Canada—if it is in someone's selfish interests to put up a new building and lease it to the government of Canada, it is also good business for the government of Canada to own such public buildings and collect its own rents. If it were not profitable for those individuals to put up those buildings they would not do it.

Mr. Pickersgill: Mr. Chairman, the parliamentary assistant has twice raised the point that this is not a matter for the Post Office Department; it is no concern of ours. Surely the hon. member would not mind saving it until the minister who is responsible has his estimates before the committee.

Mr. Regier: Mr. Chairman, I shall end this discussion now. However, I am not fully satisfied that the Post Office Department is not in great measure responsible for obtaining certain accommodation from the Department of Public Works. I am not satisfied that it does not exercise some influence on whether or not public buildings are to be erected and owned by the government of Canada.

Mr. Hahn: Mr. Chairman, we in this group are pleased to associate ourselves with the remarks that were made earlier in regard to the improvement in health of the Postmaster General and his return here in the very near future. We are looking forward to the day when he can return to his seat in the house next to the Acting Postmaster General.

I should like to compliment the parliamentary assistant on the very capable and efficient way he presented his report on the doings of the department in the past year.

In the course of his remarks the hon. member for Burnaby-Coquitlam mentioned the new postal regulations having to do with the metropolitan area of New Westminster and Vancouver, under which my constituents come. I should like to associate myself with his commendable remarks in that respect. I want to compliment the government representative on the fine way in which the meeting was conducted. We possibly set a precedent, in that for the first time we had members of the Social Credit party, the C.C.F. party and the Liberal party in one room discussing a problem on which we reached an agreeable solution. However, it did call for some help from the people of Burnaby, who took it upon themselves to conduct a plebiscite and help the matter along. We in the area are very happy that such changes were made. The people in the north part of Surrey, which is now to be known as the North Surrey postal area, are very happy about the situation.

However, I am not on my feet for the purpose of extending only complimentary remarks. I am very happy to have the privilege of doing that and to pass them on, but for that reason I feel the department should know something else. In the course of his review the parliamentary assistant did indicate that the department was anxious to receive any information as to complaints, suggestions or recommendations the people had to offer, and would give them some consideration.

During the time I was at home at Easter, and earlier, I had occasion to meet with the letter carriers, the rural route carriers and the mail contract carriers, and discuss with them some of the problems with which they are faced. It might be possible to deal with some of the problems in a regulatory way.

Others are problems that are common to the nation as a whole and should be made known here.

With respect to the contracts of the rural mail carriers, I find that the population of the area in which I live is growing rapidly. The Postmaster General and his parliamentary assistant are aware of that. That also applies to the departmental officials. There are some 15 rural routes which terminate in the postal district of New Westminster. Because of the increase in population in that area and the contracts having been let at an earlier time, we of that area find that while the mileage remains the same the number of stops is continuing to mount. It would be very interesting indeed to discover what discrepancy, if any, exists between the rates paid to United States rural route carriers, the prairie rural route carriers, the rural route carriers of Ontario, Quebec, Nova Scotia, and those in the mountainous area of British Columbia, including the lower mainland.

Another matter that bothers them considerably is the question of overtime and extra help. The report by the parliamentary assistant indicated that his department is cutting down on the amount of help that was supplied. These rural mail carriers are unhappy about that, as they feel they are being penalized. It is true that for a long time changes have not been made in respect of the regulations. From December 12 to December 31 the mail is particularly heavy when everyone is getting parcels or more mail than usual. These men have to do their own sorting, and are not given additional help.

I know under our system of mail contracts it will be said they should realize that when they put in their bid. That probably is an answer that could be made. I shall deal with that point shortly. It is found that during the week these rural mail carriers work as much as 16 hours a day, as well as eight hours on Sunday, in order to get out the mail as efficiently as our post office officials have the right to expect them to do. They work also on statutory holidays such as May 24 and December 25. It is most unfortunate that of all the people in the nation only parliamentarians and rural mail carriers have to work on a holiday such as May 24. If these days are permitted as holidays for the ordinary civil servant we should go a step further and grant the same privilege to these 13,000-odd mail carriers.

Usually when a route is put up for tender there are about 350 boxholders on the list, but quite often within a very short time the number of boxholders may increase to as many as 900, as has happened in my own area. Many of these men when bidding on these routes do not appreciate the potential growth, and they are afraid to bid high for fear they will not get the contract. It may be said that as they have contracted for the route they should go ahead and suffer the consequences, but I do not think the Canadian taxpayers expect these men to make deliveries to 500, 600, 720 or 802 boxholders when they have contracted to make deliveries to only 350. I do not think the public feel they should have to do that at the original contract rate.

This contracting system is actually unjust, for the reason I have just outlined. It is an antiquated system. It is something like the old tax collector who tendered for his job of collecting taxes. It is true that the mail carrier does not bring in revenue, but in order to obtain the contract he must underbid others for that particular job. Quite often the results are not the best, and poor service is given to the public.

I know the department was familiar with conditions on one rural mail route two or three years ago. In this case a particular individual had underbid for the route, and he obtained the contract. For four or five days after he took over the route people failed to get their mail, or it was misdirected. It was found the man could not read or write properly. More efficient men had bid on that route but were unable to get the contract. I must congratulate the postmaster at New Westminster for taking an active part in this matter and seeing that this man was replaced. But in the meanwhile there was this misdirection of mail, which would not have occurred had the proper man obtained the contract.

Oftentimes a route is changed and tenders must be called again. The experienced man knows the difficulties that will be encountered, but when he puts in a reasonable bid quite often he is underbid by someone who may have supplementary income, or who has little knowledge of how the mail should be carried and what work is involved. Yet that man gets the contract and we lose the benefit of the experience which the other man has to offer.

I have one case in mind in which a man was not given a contract in the beginning, but later on he replaced a most inefficient man, the one I spoke of earlier. This man had been with the department for a matter of 18 years.

Mr. Campbell: Who is "we"? The hon. member says "we", and I should like to know if he is referring to the department.

Mr. Hahn: I am referring to the people in the area to whom this man delivers mail. I happen to be one of those in the area and the "we" would include the people in the area. I think this is a matter that should be taken into consideration. We should consider the experience possessed by some of these men, and should take into account the lesser efficiency of a man who may underbid on a contract in order to get a particular route.

It may be true that the lowest tender is not always accepted. Frequently these men are brought into the district office and their bids are discussed, in the hope that they will bring them down to the lowest bid. The department is desirous of hiring the efficient and experienced carrier. I must say it has been found quite frequently that the department has been asked by some of these inexperienced people who have taken contracts that they be given increases, and quite frequently they get the increases from the department. The department realizes that their original bid was too low. But the result of all this is that the person with the greater knowledge of the route and who could have given the most efficient service does not get the job. Someone else gets the job, and then the rate is brought up to that at which the other man tendered.

Frequently the stock answer to a request for an increase is that the department does not feel that an upward revision in pay is justified, but should the man so desire the department will on 90 days' notice open the route for tender and the man will be free to bid again. That is the stock answer that is given when many of these experienced route carriers make these requests. They want to bid whenever there is an increase in pay because of changes in the number of boxholders, rerouting, or for some other reason.

This is a most unfortunate situation, and I do not think we are treating these men properly. They do not have a 40-hour work week; they do not receive any superannuation; they are not under the sick leave provisions, and they are granted no annual holidays. They pay their running expenses, which average about $100 a month, and they do not get the same benefits as do the letter carriers. They tender on labour.

The hon. member for Burnaby-Coquitlam mentioned one of the other problems with which letter carriers have found themselves faced, namely this matter of subsidized advertising carried through our mails. Incidentally, this same complaint applies to both the letter carriers and the rural route carriers. As the result of an active advertising campaign on the part of the newspapers, as was explained by the hon. member for Burnaby-Coquitlam, there has been a tremendous increase in the number of magazines which the letter carriers and rural route men are asked to carry. Two years ago it was rather usual for the letter carrier to have only two days on which his mail was particularly heavy, by reason of the fact that he had to carry more magazines on those days than on any others. However, today he has a heavy day every day.

The hon. member mentioned *True Love* magazine, I believe. I have others I could add to that list. There is *Popular Science*. The New Westminster post office used to receive a bundle and a half. Today they get 20 bundles of *Popular Science*. As to *Parents Magazine*, two years ago they got two bags; now they get 10 bags. *Reader's Digest* and other magazines are received in proportionate numbers.

According to the statement of the parliamentary assistant the post office is losing money. It is true it showed a $5 million net profit, but he said it failed to pay $13 million in rents to the Department of Public Works. In other words on a business basis it lost $8 million last year. In effect we are subsidizing these magazines. Whether they are cheap or whether they are good is not the important factor. It is the advertising contained in them that is supposed to be paying these charges, and not necessarily the householder, whether or not he buys those magazines.

The service to these magazines and to the publishers of other periodicals is greater than that given to air mail or first class mail. That, of course, is a situation which should not exist. We find that the postman notifies each publisher of the old and the new address. He notifies the United States publisher once and the Canadian publisher twice. He does not get any pay for this extra clerical work.

That raises a question that was mentioned earlier in respect to docking them one day's holiday for each three hours or five hours—I forget which it is—of time they are late within the year. These clerks quite frequently spend anywhere from 15 to 30 minutes a day after hours or during their lunch hour in redirecting magazines. This Post Office Department gets nothing for that service, nor do the men. However, if they happen to be 15 minutes late for a matter of three days—I forget just what it is now—or three hours late in the year, they lose a full day. Yet they do not get paid anything extra, whether it is 15 or 30 minutes extra they have to spend. I do not think that is playing the game fairly.

It is not unusual to see these letter carriers redirecting mail for 15 to 30 minutes of their own time. These misdirected magazines and periodicals are forwarded for 90 days, as is all first class mail; and then they are treated as first class mail and there is no extra charge to the magazine publisher. A letter carrier finds it impossible to get his regular work done in regular hours. As I said, he gets no credit for this extra time put in after hours or during his lunch hour. It does not matter actually on what part of his route he happens to be when lunch time comes. If he is two or three miles away from the post office he is given no credit for the time spent travelling back and forth to get his lunch, etc. I would not say that he should necessarily receive any extra time for travelling, but we should not penalize him, as we are doing according to this regulation that was posted as of April 1, in respect of one day lost for three hours that he may have lost through coming late during the year.

I return to the magazine question. At the present time the clerk notifies the Canadian publisher twice, and then he returns the magazine to the company. Some of these publishers never take notice of a change of address. On examination I have discovered that there are certain magazines such as *Eagles* magazine and *Western Grocer,* which the larger publishers find it more economical to send to the Post Office Department and then have the clerk spend his time returning it to the publisher, and it never does get to the man who has subscribed to it originally. He apparently does not bother to get his address changed properly. As to one particular magazine that was drawn to my attention, namely *Motor Coach Conductors and Operators* the same address was kept on that magazine for ten consecutive years. I am not so sure that it does not still come to the same post office.

Such a condition should not exist, under which we continue to charge our clerks one day holiday for being the equivalent of three hours late during the year, and at the same time give them nothing for redirecting this mail; especially on heavy magazine days, which is every day now. Fifteen to thirty minutes are given to the Canadian people of the time of these men who deliver the mail.

There are certain recommendations I would propose that might be instituted. One is that we as the parliament of this country should ask our magazine publishers to have their magazines labelled in a particular place. I do not know whether hon. members have taken the time to study the magazines at all. If you do so, just ask yourselves what you would do if you were a clerk and received a magazine that had to be redirected, let us say, back to the publisher. Do you know where you would find the publisher's name? I venture to say that if you brought 50 magazines in here you would find the addressor's name in 50 different places. That is a situation that should not be tolerated. If we want to use people's time properly we should ask that the name of the periodical and its address should be properly placed, let us say, on the inside cover or on page 1 or page 2, or some uniform place. It would not take anything from the cover of the magazine which seems to be the important thing but it could help these letter carriers and others in the postal department. It would save them considerable time.

The location of the names of the individuals to whom the magazines are addressed is something that might also bear some uniformity. It is helping cost the taxpayers this $8 million deficit that we will actually have for the year. Because it is costing us actual cash I think the people of Canada would be quite within their rights in asking that if a certain magazine reached a particular volume, the company should set up its own delivery system. Carrier boys deliver magazine such as *Liberty* and other publications, and I see no reason why the post office should subsidize magazine delivery.

There is another difficulty that is encountered. If you go into any large post office you will find magazines of all kinds stacked there. One magazine is to be delivered on May 24, let us say, another on May 27 and another on May 29. In this way we are providing a warehouse for some of these publications. Householders expect their magazines to be delivered on a particular day, and the person who takes the brunt of the blame is none other than the letter carrier. We cannot blame the householder. He has a right to expect that the magazine should be in his hands on the first Monday of the third week in the month, or whatever day it may be. However, by reason of the fact that the mail may be particularly heavy a great burden is loaded upon the letter carrier, who is not being treated in the same way as the ordinary worker in our cities and towns.

There are instances of mail coming into the post office marked, "Do not open until Christmas", or with instructions not to deliver it before a certain date. The post office personnel are particularly careful to try to please the person sending the mail and the person who is to receive it, but at times such as the Christmas season, when the amount of mail is particularly heavy, no one should expect

mail to be kept in the post office for any length of time. However, in their co-operative way the post office personnel try to serve the public as efficiently and as well as they expect to be served. They provide this service at a very nominal charge, but I do not think they should be expected to do so.

I suggest that magazine publishers should be told that their magazines will not be held for delivery on a particular date once they arrive in the post office. Efficient operation is not only a matter of getting the mail to the post office but of dispatching it as quickly as possible, and it should be gotten rid of as quickly as possible.

Another problem that is of concern at particular times of the year has to do with heavy catalogue deliveries. To the best of my knowledge the catalogues have to be tied in bundles by the letter carrier on his own time. In the case of a city such as New Westminster the catalogues are shipped there by freight, and the freight rate of course is very low. Then they are delivered by letter carrier at the local rate of 18 cents each. I do not know where our business sense has gone. The letter carrier has to tie these catalogues into bundles on his own time. It is his own time because we do not pay him anything extra for it. Then he has to deliver them to householders some distance from the post office at a rate of 18 cents each. It is economically unsound. The catalogues come in burlap sacks, and then they are handled in the same way as magazines. They are stored until ready for release according to the wishes of the particular firms.

These catalogues are entirely advertising and nothing else. Why should the letter carriers be burdened with them? New Westminster post office is not a particularly large one. There are only about 100,000 householders who receive their mail through that office, but I find that the average shipment of catalogues to the office weighs some 34 tons. As you can well understand, that represents a great number of catalogues.

In most of our major cities and towns you will find mail order offices. If a person wishes to place an order with Simpsons-Sears or the T. Eaton Company or any other mail order house he can go to the mail order office and give the attendant his order, rather than use the mail to send the order to the company. At these offices he can either pay for his order or, if he has a credit account, the matter can be looked after in another manner. Instead of all these catalogues being handled through the post office, as they are today, I suggest that the different mail order houses be instructed to use a card system. I understand that some now do so to a certain extent. They should be asked to use a card system wherever possible to notify their customers that the catalogues are available at the local mail order office. Otherwise the postal rate for carrying the catalogues should be increased. The present rate for the handling of these items is only 18 cents which is unreasonably low.

Another complaint has to do with overtime. This question has been discussed in the house from time to time, but I for one am not satisfied that it has been handled properly. I am satisfied that if the deputy postmaster general or any of his staff were to check the larger post offices they would find postal clerks and letter carriers working after hours readdressing mail. This does not happen once or twice a year but once or twice a week, or oftener, and each time it may take a matter of 15, 20 or 30 minutes. If a person in industry has to work 10 or 15 minutes overtime he is paid for half an hour, but that does not apply in the Post Office Department.

The postal clerks and letter carriers are told that if they want to put in overtime they must come in earlier the next morning. If a letter carrier is in the habit of coming to work at 6.30 a.m. he should anticipate when he is going to have a particularly heavy load of mail and arrive at 5.30 a.m. Then the postmaster will recognize that the man is there for an extra hour and will give him an hour's overtime. I do not know whether it is because we mistrust our civil servants who deliver the mail that we have this kind of thing, but in my opinion we should not expect people to spend their evenings doing extra work and not pay them for it in the same way that industry treats its workers.

Another ground these men have for complaint is the fact that the check-up time, so far as letter carrier routes are concerned, is usually during the month of July. As everyone knows, July is a vacation month, and only about 65 per cent of the householders on a route are receiving delivery of mail. In the months of April and October, for example, 70 per cent or more of the householders are receiving mail, but by taking the month of July it is found that the figure is 65 per cent. Magazine subscriptions usually lapse at that time of the year. Catalogues are not distributed then, with the result that the mail is considerably less than usual. In speaking of the various letter carrier routes, it just means that once the fall and winter months are here the chore becomes more difficult. It means these carriers have to cover 70 per cent or more of a route which was actually set up on the basis of 65 per cent.

There is one other fact that was drawn to my attention, and that concerns the matter of carriers' garments. On April 5 of this year I had tabled a return of sessional paper No. 112-E concerning the type of garment being used and the suppliers thereof. Question No. 3 read:

Who were the five chief suppliers of (a) summer weight trousers; (b) winter weight trousers, during each of the past five years?

The answer was Master Craft Uniform Company, Registered, Quebec, for the years 1950 to 1953 and Maurice Pollack Limited, Quebec, for 1954 and 1955. I find that particularly interesting because the letter carriers complain that whereas formerly their uniforms lasted for two or three years, they are now very fortunate to have a uniform last for more than two or three months. I do not know if there is any relationship between the fact that letter carriers are being docked $20 per month for clothing and the fact that there is a new supplier. I am not in a position to say. If it is a matter of $20 per month, as I have been led to believe, then that totals to a $240 per year deduction. I am not prepared to say that is correct because I have not checked with the minister or any of the departmental officials, but I think it is $20 per month. If that is so, I would strongly urge that consideration be given to the fact the men feel they would be much better off buying their own uniforms and getting the $240 because the old uniforms lasted them for two or three years.

I am quite aware of the fact that the recommendations I have made are going to cost money. There is only one possible place from which this money can come. My suggestion is that the second and third class mail, which frequently receives the same treatment as first class mail, be handled on a sound economic basis. If it costs more money to handle third class or second class mail, then certainly we should expect those people who use the service to pay the extra cost of it. I am not interested in where they are going to get the money, but I dare say the natural and obvious place would be from the advertisers who use the mails and whom the people of Canada are subsidizing.

(*Translation*):

Mr. Gagnon: Mr. Chairman, I am happy to have this opportunity of adding my voice to that of the preceding speakers to express by best wishes to the Postmaster General (Mr. Cote) and to wish him a prompt return to good health. I am also happy to congratulate those who have ensured the proper operation of the department during his absence.

[Mr. Hahn.]

The city of Chicoutimi, county town of the area which I have the honour of representing in this house, by virtue of its population, of its geographic location and of the beauty of the surrounding district, has been aptly named "Queen of the north". It is an important industrial, commercial, religious and educational centre; a progressive and lively city. It is the pride of those who live in the kingdom of the Saguenay and evokes the admiration of visitors because of its location, of its sunshine, of the warm hospitality and dynamic enterprise of those who live there.

It might possibly be perfect from a town planner's point of view if it had fewer level crossings, if the Canadian National Railways station were a more adequate structure, if its harbour installations were improved and the surrounding area beautified, and finally if the public buildings necessary to the proper discharge of various departmental activities were to be built there.

All these are things which come under the jurisdiction of the authorities in Ottawa and about which we should complain every time we have an opportunity to do so. I rise in this debate to protest against a lack of appropriate facilities, for the postal service more particularly, which is prejudicial to my fellow citizens.

I shall speak as briefly as possible and merely recall certain oral or written representations made in that connection during the past years.

One of our weeklies wrote as follows on May 8, 1952:

Chicoutimi—Following the request made by the Chamber of Commerce, Mr. Fournier replied that the federal government would do everything in its power to start work on the new central post office by this summer.

On March 16, 1953, the minister wrote me the following letter:

Dear Mr. Gagnon:

I acknowledge receipt of your letter of March 13 regarding the construction of a public building at Chicoutimi, P.Q.

Any delay in the construction of that building is due to the fact that we do not know definitely which departments will occupy it nor what floor area will be required by each of them.

Yours very sincerely,

On April 9, 1953, I directed to the minister the following question:

Could the minister tell me which government services will be housed in that building?

The building in question is the one which was to be erected at Chicoutimi.

The minister answered:

The post office, the customs office, the unemployment insurance commission office and, I am told, other government services.

I suppose that the idea is to centralize, in this new building, the different federal offices that now exist at Chicoutimi.

He would know now which departments might use this building.

On October 27, 1953, the present minister wrote me the following:

Dear Mr. Gagnon:

In reply to your letter of the 15th instant concerning the proposed public building at Chicoutimi, I must inform you that we do not expect to be able to call for tenders with regard to that building before the spring of 1954.

Please believe me, dear Mr. Gagnon.

Yours truly,

Robert H. Winters.

In 1952, the minister advised the chamber of commerce—

(*Text*):

Mr. Pickersgill: Perhaps the hon. gentleman would permit me to rise on a point of order. I wonder if these remarks about the desirability of a public building in Chicoutimi would not be more appropriately made on the estimates of the Minister of Public Works, who has the responsibility of providing public buildings as well as for providing premises for the post office. It is true, of course, that the Postmaster General does make certain recommendations to the Minister of Public Works, but it is the responsibility of the Minister of Public Works to evaluate all these recommendations. He is the only minister who could properly reply to the hon. gentleman.

Mr. Gagnon: I am not speaking about the necessity of a public building for Chicoutimi for the other services of the government. I was speaking of the necessity of a building for post office purposes only. I am speaking about the urgency of building that building. Hon. members should see from my remarks that what I am now saying is in order.

(*Translation*):

As I was saying, the minister advised the chamber of commerce in 1952 that he would do his utmost to have the building started that year.

In 1953, I was told he was waiting for information from the various departments concerned in this project. Later on, I was notified that tenders would not be sought before 1954.

On January 3, 1954, the deputy minister wrote me the following:

I acknowledge receipt of your letter of January 22, 1954, concerning the erection of a public building at Chicoutimi, P.Q.

The whole question of premises for the various government offices in Chicoutimi is now under consideration and, until the results of such survey are known, I am not able to tell you when construction on this new building will start.

Please believe me, dear Mr. Gagnon,

Yours truly,

Deputy Minister.

On the 15th of February, 1954, the Chicoutimi chamber of commerce sent the minister the following letter:

The Honourable Minister,

Since 1947, the Chicoutimi Chamber of Commerce has made numerous representations to the Post Office Department and to the Public Works Department, which is under your authority, to get a suitable post office in Chicoutimi.

The voluminous correspondence on the subject, the great number of photographs and other documents we sent and the visit of the Honourable Alcide Coté in June 1952 have fully shown the merits of our representations.

On the other hand, the honourable Postmaster General told us, in his letter of January 26, 1953, that his department had asked for the construction of a new building in Chicoutimi which matter now comes entirely under the jurisdiction of your department. Furthermore, on March 4, 1953, in reply to our letter of February 27th, you have told us, through your executive assistant, that a sum of $250,000 had been put in your estimates for the construction of a new building on the Tremblay site, on Racine street, but that the date of the beginning of the undertaking was not yet known at that time.

We need not tell you that the post office situation in Chicoutimi is more critical than ever before and that a new building must of necessity be constructed. For that reason we beg you to send us at your earliest convenience the following information:

A.—Has the amount of $250,000 which was written in your estimates for last year been carried over?

B.—We were informed last year that the delay was due to the drawing of plans and specifications for the new building. We assume that such work has now been completed. Is that correct?

C.—On what date do you anticipate the actual work to start?

The Chicoutimi Chamber of Commerce would greatly appreciate receiving the requested information in the near future, because that matter is of the utmost interest to our members.

Yours truly,

(Signed) A. Sincennes,

Secretary.

On April 29, 1954, I put the following question to the Minister of Public Works, as shown on page 4241 of *Hansard*:

Mr. Gagnon: An item of $250,000 was approved by parliament last year for that project but nothing has been done up till now. Would the minister care to comment on the project?

Mr. Winters: The situation there, Mr. Chairman, as I recall it, is that although there was that amount in the estimates last year we found this year when compiling the estimates that we were not ready to go ahead with the building. The

plans had not been prepared. At the same time the postmaster indicated to me that he would like to study the whole matter of postal services in the area, and until such time as that is done we shall not be able to proceed with the building.

On May 14, 1954, I made the following remarks to the hon. Postmaster General:

Last year parliament approved a $250,000 appropriation for construction of a public building in Chicoutimi. A few days ago, when I asked the hon. Minister of Public Works (Mr. Winters) where this project stood and why there was no mention of that amount in this year's estimates, he answered that the Postmaster General (Mr. Coté) had told him that he would like to make a survey of postal services in that district and that his department was not in a position to proceed with this building before this survey was ended.

I would therefore like the Postmaster General to tell me what point has been reached in this survey and whether he will soon make a report to his colleague, the Minister of Public Works.

The minister knows full well that for the past twenty years and more the people of Chicoutimi, through civil authorities and chambers of commerce, have been requesting the erection of a suitable building. Present accommodation is inadequate, considering the growing needs of those people. A few years ago some land was acquired for that purpose. I know that the minister is well acquainted with Chicoutimi and that he also has some good friends there. I would therefore like him to tell me, when he speaks of his department, what his plans are with regard to Chicoutimi.

Here is part of the answer given by the Postmaster General as reported at page 4763 of *Hansard*:

As far as the Chicoutimi project is concerned, I do not remember whether the plan called for a building to accommodate various federal departments or whether it was only to be a postal station. I know that we had to revise this project and hold back for further study. I will look further into the matter and will be glad to give more detailed information to the hon. member. I must add that the project has not been abandoned but that it is simply under further consideration.

Finally, on October 8, 1954, I received a further letter from the Minister of Public Works, which reads as follows:

I hereby acknowledge receipt of your letter of September 21 regarding the construction of a public building in Chicoutimi.

Since returning from my trip I have had the opportunity of discussing this matter with the Postmaster General and other departments concerned. I can tell you that I have asked the building construction branch of my department to undertake the preparation of plans for this building.

Yours very truly,
Robert H. Winters.

On February 14, 1955, the minister wrote me as follows:

I have received your letter dated January 27, 1955, regarding the inadequacy of postal accommodation in Chicoutimi, P.Q.

The situation will not be lost sight of with regard to the difficulties mentioned. However it will be impossible to proceed with the immediate construction of a building in Chicoutimi, appropriations for this purpose not having been included in our departmental estimates for the coming fiscal year.

Yours very truly,
Robert H. Winters.

I made it a point, Mr. Chairman, to read part of the correspondence exchanged between the Minister of Public Works, the Postmaster General and the Chicoutimi chamber of commerce, as well as certain appeals I made in the house, in order to show all the delay in this matter and the excuses put forth for not remedying this situation, which has become unbearable.

I wish to assure the Minister of Public Works that should he be kind enough to pay us a visit at Chicoutimi, he would be received as a friend and I am convinced that having seen for himself the acute situation with which we are faced, he would immediately grant us this public building for which the land was purchased some years ago.

Here is what the *Progrès du Saguenay*, a daily newspaper published in our district, had to say on December 22, 1954, about the postal service in the city of Chicoutimi:

We would like to see the embarrassment of the Postmaster General if, during a stay in Chicoutimi, he had to send his Christmas parcels through the local post office. He would very likely do the utmost without delay to correct an unbearable situation. A visit to the post office, facing the cathedral, during the rush period, would show the congestion there is in that building. The number of wickets being insufficient, people have to queue up and must wait as long as half an hour to unload their parcels which become exceedingly heavy. We are not criticizing the service given by the postal employees: they are doing the best they can under the circumstances and the postmaster has enough employees to provide the best service he can in the existing building but the people cannot tolerate indefinitely such a situation.

The building of a new post office at Chicoutimi has definitely been agreed upon, but the necessary appropriations have not yet been voted. Let us hope that they will be at the next session.

One can readily understand, Mr. Chairman, why the people of Chicoutimi are so much in favour of decentralization of powers and provincial autonomy.

They know how difficult it is to get anything but statutory grants from the federal government.

We can count on our fingers the favours bestowed upon us by Ottawa since confederation, while the favours granted us by the government of our own province, especially in the past 10 years, have changed the appearance of our cities and even of our smallest villages. Our district is among those that pay the most taxes to Ottawa but, on

the other hand, it is perhaps the one which receives the least in return.

We should be treated, not with more generosity because there is no such thing in Ottawa, but with more justice.

The taxpayers of Chicoutimi deserve more sympathetic attention from the government and I think the time has come to recognize it. Besides, I am satisfied that the Postmaster General and the Minister of Public Works are well disposed towards us and that they will at last grant our requests.

(*Text*):

Mr. Bryce: Mr. Chairman, in common with other members I regret the Postmaster General has not yet been able to return to his duties. I do hope however that he will have a speedy recovery and will soon be back with us.

I have a matter that I wish to bring up. I have taken it up with the department on other occasions. I am prompted to do it again because I have received a petition, and when I have finished with it I am going to send it over to the Acting Postmaster General. It has to do with my request some time ago for an airmail service to Norway House. I do not need to go into it. In the wintertime they get mail from Winnipeg, via Wabowden, and into Norway House. In the summertime they have to use the *Keenora*, which visits there once a week. This petition asks the department to do something about getting first class mail into Norway House more often than just once a week.

During the freeze-up and the break-up when the bombardier and the boat cannot operate, there are times when they get no mail service. I know that the weather is to blame for that.

Mr. Pickersgill: That happens in my riding.

Mr. Bryce: Yes, you and I should get together on this thing.

The plane that carries the mail during that period is quite a large one. It has been suggested by some people, who should know, that a lighter plane could land there with first class mail. They had the unfortunate experience this year of being without mail for some 5 weeks. The minister was surprised at that, but it was true.

I am not going to elaborate on it. There are 70 signatures on the petition. I know many of these people personally. They are reliable and good Canadians. They are worthy of the minister's consideration in an effort to get first class mail in there by air. If the Acting Postmaster General and his parliamentary assistant lived in Norway House they would have to prepare their mail on Monday night to get it away on Tuesday morning. That permits the mail to get into Winnipeg on Saturday afternoon. Because the mail arrives on Saturday afternoon you cannot possibly get a reply until the following week when the boat returns.

Let me give an example of how it works. A letter posted in Norway House on Monday, May 23, leaves that place on the 24th or the 25th, depending on the weather conditions. It reaches Winnipeg on Saturday afternoon, May 28. The offices or the wholesale houses receive it on May 30. At that time the mail bags for Norway House are already on the way to the station or to Selkirk. Therefore, that mail does not leave Winnipeg until the following week, and an answer will have to wait until Monday, June 6. It will reach Norway House on June 8 or June 9.

Some people seem to think that Norway House is away back from civilization, but let me draw the committee's attention to this. There are about 1,800 people in and around that district. The population is composed of Indians, half-breeds and white people. There is a large up-to-date settlement; there is a large new hospital there, an Indian agency, a detachment of the Royal Canadian Mounted Police, 2 boarding schools, missions representing the different churches, and also different day schools and a few stores. Surely, a community of this size is entitled to better mail service than they are getting at the present time.

If you look at a map of my constituency you will see that not very far from Norway House is Cross Lake, God's Lake and Oxford House. These places get an airmail service. There is also Island Lake, which receives an airmail service twice a week. I am advancing these arguments in an effort to get the department to give this matter further consideration. I appeal to the Acting Postmaster General and the parliamentary assistant, and ask them to look this over to see if it is not possible to give Norway House an airmail service for first class mail in the near future.

I have a letter from a gentleman who wants to know whether he can buy a 1½ cent stamp. I wrote back to him and told him that I had not seen one. He immediately sent me back an envelope that carries a 1½ cent stamp. I do not know how that comes about unless it is some of the cheap publicity used by the soap companies. They send out advertising matter. You take a coupon to the store and you get two articles for the price of one, or something like that.

Mr. Pickersgill: Maybe it is political literature.

Mr. Bryce: If it is, I would know something about it.

Mr. Pickersgill: I think the hon. gentleman is right.

Mr. Bryce: Now, when the minister replies I hope he will explain how some of these companies work it. It must be a company because the envelope carries a prominent name. It goes to the householder for 1½ cents. The cheapest rate I can get, or any of my constituents can get, is two cents. The department puts out a booklet entitled "Hints About the Post Office". I can find nothing in it about a 1½ cent stamp.

I was out of the House of Commons for about a year. When I left here there was an item of $25,000 in the estimates of the Department of Public Works for a post office in Selkirk.

Mr. Pickersgill: We listened for 20 minutes to a talk by the hon. member for Chicoutimi, which should have been delivered on the estimates of the Department of Public Works. Surely, that is not going to be looked upon as a precedent that every hon. member may follow in the committee.

Mr. Bryce: I was not going to go into it.

The Deputy Chairman: Order. May I take a moment of the time of the committee to express my views on this particular subject? It seems to me that under the estimates of the Post Office Department, or of any other service department, the inadequacy, or the non-existence, of certain facilities must surely be a subject which is within the ambit of the resolution that we are discussing. I can understand that if the Department of Public Works had undertaken the construction of a building for the Post Office Department and some member wished to criticize the manner in which that construction was being carried on, or the speed, it would come under the estimates of the Department of Public Works. But if the hon. member is, as I think he is, dealing with non-existent facilities which he is asking the Post Office Department to bring in, then I find it impossible to rule that he would be out of order; because, if the building is not under construction, then it seems to me it surely is not within the ambit of the Department of Public Works. I hardly see how one can discuss under the Department of Public Works the construction of post offices which the Department of Public Works has not been instructed to construct. Therefore, while I can see that it is very desirable that all members should hold their criticisms and their requests down to those things which the Postmaster General can bring into effect, I cannot rule that the discussion of the need for improving or enlarging the post office facilities is out of order in a discussion of the estimates of the Post Office Department. I cannot rule a discussion of the need for improved or enlarged post office facilities to be out of order during a discussion of estimates of the Post Office Department, but I think perhaps one would be justified in saying that members would at least be indicating their co-operation if the need for the same building was not discussed under more than one department.

Mr. Bryce: Mr. Chairman, I am going to abide by your ruling and I am also not going to tramp on the toes of the minister. The recommendation for the building of a post office comes from the Postmaster General or the people who have to do with that. However, I am not talking about the building of a post office, I am talking about the need for a post office. Three or four years ago I brought photographs to this house to show how mail bags were left sitting around outside the door. There was no room for them inside. The hon. member for New Westminster has indicated how mail is held up for 24 or 48 hours. They simply have not room in the Selkirk post office at the present time. The space in which they have to work is deplorable. As I say, I have brought photographs to show the conditions.

I thought we were getting somewhere when I saw an item in the estimates. I am wondering now whether the officials of the Post Office Department changed their minds and decided that this post office was not needed. I will have to ask the Minister of Public Works what he did with that $25,000. During the last election they even had blueprints of the post office and, believe me, that did not help me any. This year there is no money being voted for a post office. I hope the Acting Postmaster General will look into this matter and recommend that Selkirk be given a new post office. The present building could be used to advantage for the R.C.M.P. and the Indian affairs branch. It would be good business to do that and to give Selkirk a new post office.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, I imagine that there is no one who rises to speak on the post office estimates but thinks of the employees working for that department, the service which they are rendering and the efforts which they are putting into their jobs. That is particularly so because the Post Office Department, next to the Department of National Defence, is

the largest employer of labour in the government. I think we have a particular respect for these employees of the post office when we realize some of the difficulties under which they labour and remember that the top man of their department has not been present in the house for some time. I am sure we all regret the unfortunate illness of the Postmaster General, for whom we have great respect. When you think about it for a few minutes you will perhaps wonder what would happen if the present status of the Postmaster General and the Acting Postmaster General were reversed. It is just possible that in that case both the Post Office Department and the Department of Citizenship and Immigration might be better off.

There was one thing in the remarks of the parliamentary assistant to the Postmaster General that surprised me quite a little, because to me it flies practically in the face of something we were told last year at the time the proposed and now effective increase in postal rates was being discussed. At that time the Postmaster General, as reported on page 1102 of *Hansard* of January 14, 1954, was referring to certain cost increases which he foresaw for his department, and he went on to say:

> These three items alone amount to $13,500,000. Expected net revenues from the increase in postage rates will be approximately $14 million, leaving only $500,000 to take care of possible normal increases in the price of basic materials and services which are essential for the operation of the postal service.

At that time the Postmaster General was crying poverty before the house. He said he simply had to have this increase in postal rates because if it did not come along his department was going to operate under a tremendous deficit. He was calculating that the increase in the postal rates would be just sufficient to permit him to end up on a break-even basis. If you read through the discussion of those several days you come away with the impression that even with the increase the post office was going to have a pretty tough time making ends meet.

The estimates originally tabled show a surplus for the present year of something over $6 million while the statement made earlier this afternoon indicates a surplus of approximately $5 million. Of course it is all hedged about with verbiage about public buildings, franking and various other things. When the Postmaster General was crying his tale of woe before the house last year there was no mention of those particular items. It is only now when the Post Office Department finds that it is wrong in its estimate that they come before us and attempt to explain away their faulty figuring. They surround the estimate with this other material which apparently has been thought up on the spur of the moment as an excuse.

In some respects I think we can feel very glad that there is this surplus, provided it is the result of more efficient operation in the post office. In that case it is a welcome situation which is far different from most other departments of government.

I would rather hope that with this surplus it might be possible for the government to examine again the question of their postal rates to see whether some reduction in some rates would not be possible.

We have had continuing promises for many years that as soon as the government found itself in a position to reduce taxation it would do so. They gave us a small example of that this year. If they were really and genuinely speaking their minds on this subject, let them give us another example. Let them take this $5 million surplus in the operations of the Post Office Department and follow through with a reduction in postal rates.

Having said that, I go on to make one or two comments on the post office and some of its operation. First I should like to deal with a situation which I think is particularly iniquitous because it is a direct reversal of what we in this party would like to think is the right way for a government to operate, that is to treat all people alike. We like to think that that is the principle upon which a government should operate. We like to think particularly that the government should treat all its employees alike.

If a man holds a job in one centre he should receive the same treatment and prerogatives as he would receive if he held the same job in another centre. We see no particular reason why there should be one set of rules and one set of standards for a man who happens to live and work for the government in Montreal and another set for a man holding the same position in Toronto. Yet I defy the gentlemen who sit over there on the opposite side of the chamber presenting these estimates to the committee to stand up and say that in the post office they have not the situation in which certain men who occupy exactly similar positions within the post office structure are being given varying treatment according to the locality in which they work.

To bolster this statement I am going to have to set it out in detail. I set it out for the benefit of the committee. Over a period of a couple of months I have tried to discuss it with the officials of the post office. I did

not want to bring it before the House of Commons because it has always been my experience that once a minister takes a position in the house, no matter how stupid it is, he will never retreat from that position. However, sometimes you can get even a stupid minister—and they exist, Mr. Chairman—to see reason if you discuss the thing with him outside the house where his mistakes do not have to be brought before the people of Canada as a whole. That was my hope in this instance; but as far as I can see, I have not made much progress.

The situation is this. With the advent of the five-day week in the post office and with the department's desire to continue six-day-a-week mail delivery, it became necessary to employ certain other people who would, on a rotating basis, fill in on route after route as the regular men went off for their sixth day holiday. In order to get those men the department went to its present employees and offered them the opportunity for these particular positions. In order to make the position attractive, they gave them a title which, if my memory serves me rightly, was that of supervisory letter carrier. In connection with this matter it is important to remember that although a different title is attached to this job, the function is, without any change whatever, similar to that of the normal mail carrier, save that in the one case the mail carrier remains on the same route and in the other—supervisory letter carrier is the name of the function—he will rotate from one route to another.

Through certain circumstances which I will not go into here most of these supervisory letter carrier positions appeared to be more attractive to the newcomers to the department. By accepting that position, the newcomer to the department could get a sudden increase in salary. It brought him no higher than the men who had been in the department for a number of years but it brought him up to their level. That perhaps was the principal interest of the newcomer in applying for these positions. The result was that after a period of time the department found, first, that most of these supervisory letter carrier positions, for which applications had been made, were being applied for by newcomers to the department. Second, they found that they were not getting sufficient applications to fill all their positions. Thus, they decided to do something which I think was quite unfair.

In this connection I turn now to a series of three announcements or bulletins from the post office which dealt with these positions of supervisory letter carriers. The first one went out on February 19, 1954, and it said in effect—the government never speaks quite in this way—"We need supervisory letter carriers; here are the details of the position. The men who fill that position will have no preference in relationship to choosing their vacations over the rest of the letter carrier staff".

A week later, on February 26, the government completely reversed its position, this time issuing a bulletin saying that those who apply for the position of supervisory letter carrier and are accepted will have a preference over the remainder of the letter carrier staff in respect of their vacations.

As I have already indicated, the majority of these supervisory letter carriers were comparative newcomers to the service, and the effect of this second bulletin was to give them preference in choosing their vacation period over many men who had been in the service for 10 years, 15 years or 20 years as letter carriers, who had families, who had vacation plans and who had every reason—both because of length of service and because of personal position—to have prior consideration in respect of choice of their vacations. This was so obvious to the entire postal service across Canada and its officials that the holler which went up was simply tremendous.

Finally the department came out with one of the most amazing bulletins—for anybody who believes in decent treatment of employees—that I can imagine. It is dated March 16. It deals with this same subject and in effect it says this. I have a French version here and that is why I say "in effect", since I am not quoting directly from the English. In effect it says: If it is possible to get enough good letter carrier supervisors without giving them any preference with regard to vacations, you do not need to give them any preference with regard to vacation. But in the localities where it is impossible to recruit the necessary number of good letter carrier supervisors without giving them a preference in vacation time, we will give them this preference with regard to vacation.

What has happened since then, Mr. Chairman? In Toronto letter carrier supervisors and mail men—the ordinary letter carriers—select together from the same list in order of seniority. If a man is a letter carrier supervisor but has only five years of service he will not get a choice of vacation dates until an ordinary letter carrier with six years or ten years of service has had his choice of vacation. That situation applies in the great majority of locations across Canada. But in a minor number of cases, including Montreal, in order to bludgeon and

to force the letter carriers into accepting these positions, the Post Office Department has chosen to give this preference in choice of vacation time—this preference which exists nowhere else except in these few localities across Canada—in respect of the letter carrier supervisor position, a job which is exactly the same as that of the letter carrier himself.

There are letter carriers by the hundreds—and I use that word advisedly—in the city of Montreal who have been in the service of the department for many years, who are being discriminated against. Because they are older men they have children who are going to school. They have perhaps got enough money together to be able to have a country home to which they like to go. These men are being deprived of their opportunity to take their vacations at a time when they can go with their families to their country homes in order that some newcomer to the department who has taken advantage of this particular situation to get a fast salary increase—and I have no objection to that whatsoever—may take his vacation in the months of July or August. It is completely unfair and iniquitous. To cite two cities, a completely different set of standards applies to letter carriers in Toronto and letter carriers in Montreal.

In the course of my discussions on this matter I never saw, in my estimation, more uncomfortable people than the departmental officials with whom I discussed it. We had interesting discussions that were very helpful. I am grateful to them for their help, but right across the board, starting with the heads of the department who sit in the house, it seems that I have never been able to get any sort of satisfactory answer outside of the completely ruthless one that they have got to do this in order to force these men into these positions. That was the interpretation I placed on the information I got from them, and I have never been able to get any other answer.

Having dealt with that subject and placed it on the record, may I express the hope at this point that this inconsiderate, ruthless and inequitable attitude of the department will be changed and changed very quickly.

I should now like to say a few words about the post office savings bank which was dealt with at some length in the Woods and Gordon report of some note last year. I think hon. members will recall the recommendation in the Woods and Gordon report that the post office savings bank be discontinued. I should like to quote one or two sentences from the report. It has this to say:

> . . . other banking facilities are available in the communities of 18,670 of the 22,699 active depositors.

In other words, at that point they were making the argument that in most places across Canada facilities parallel to the post office savings bank are available. The report says further:

> It is apparent therefore that the need for the facilities of the post office savings bank is not nearly as great as it used to be and we suggest that the time may have come when it could be wound up without hardship to any large number of depositors.

Finally:

> The annual cost . . . of the post office savings bank is estimated to be $377,000.

Despite this report, the department subsequently decided to continue the operation of this largely unnecessary and certainly money losing function. In thinking about the matter the thought came to me first that if we could suggest an alternative means by which facilities similar to the post office savings bank could be made available to the Canadian people generally at a figure substantially less than the current cost of the post office savings bank, we might be able to persuade the government to get out of this small banking business. I want to make it quite plain at this juncture that, while I think the government has some responsibility to lead in the provision of certain services, I feel equally strongly that when private enterprise is in a position to provide those services adequately it is time for the government to get out of the service. They certainly should not continue to operate them at a loss involving such an expense to the taxpayers as in this case.

Therefore I put forward this thought for the possible consideration of the Postmaster General, the Acting Postmaster General and the parliamentary assistant to the Postmaster General. In 1952 there were only 167,000 deposits made in the post office savings bank. That is the last figure I have. All the department needs to do is to agree to carry these deposits, properly insured and properly registered, from the post offices to any chartered bank branch in Canada without cost. They can then get out of the banking business in this field tomorrow and leave post office savings bank depositors in exactly the same position as they are now.

In other words, what I am suggesting is that the post office savings bank would drop out of the operation. Its accounts and operations would be placed with the chartered banking system of Canada. People who now bank with the post office savings bank would

bank with a chartered bank. In cases where people cannot go directly to the bank they now have the privilege of sending their money through the mails, as we all know, but if we want them to be on a basis comparable to the present post office savings bank it may be necessary for the post office to carry these funds to a bank without charge. The interesting thing is that if the Post Office Department did that the charge incurred by the department for the cost of the postage and registration would be about $25,000 for the whole operation against the $377,000 that they are now paying.

An alternative suggestion, which I just mention, is that a person might be allowed to deposit his money with the post office, obtain a receipt and send the receipt to the bank which would in turn, on depositing the receipt with the post office, be reimbursed for the amount. The point I am trying to make in putting forward these two ideas is that the department should take another look at the post office savings bank with the thought in mind of seeing that the depositors will still get the services they are now getting but will get them through some established banking operation so that the government can get out of the business.

I should like to say a few words about twice-a-day mail deliveries. I do not agree with the attitude of the Postmaster General and the department that once a day mail delivery is genuinely satisfactory or acceptable to the people of Canada. In the statement made this afternoon it was said that the number of complaints with respect to this matter has been reduced. Of course they have been reduced. After people have complained and complained and complained for four or five years they finally throw up their hands in disgust and say: There is no use any more; we will stop complaining.

I can remember that when the income tax was first raised substantially not too many years ago there was a great deal of discussion and tremendous antipathy towards the move. We have reached the point now where we all realize, I think, that the incidence of taxation is terribly heavy, but you might say that we have learned to live with it a little bit. We do not like it but we know there is no use complaining because it is going to be crammed down our throats anyway. I think that has been the attitude of the people of Canada towards this one-a-day mail delivery. I suggest this thought in that connection to the Postmaster General. Why do we not have two-a-day mail deliveries five days a week? At the present time we give a mail delivery in most residential areas once a day, and that is six deliveries a week. If you gave two deliveries a day for five days, that would be 10 deliveries a week, which is an extra service.

The interesting thing about it is that if you examine it carefully you will find your costs for the two deliveries a day five days a week would be very little more if any more than the cost of the type of service that is now given. The operation of the department on Saturday would be reduced to a minimum. Sortage charges, overtime pay for clerks and many other things connected with Saturday operation would be substantially reduced. My information and my analysis lead me to the conclusion we could have two-a-day mail delivery five days a week on a very sound basis. I believe the people of Canada would be more satisfied with that. I feel they would far rather have 10 deliveries a week than six deliveries a week. I believe that in an era when we have come almost universally to recognize that the five-day week is in existence, the Post Office Department would receive general public approval if they realized that as well.

I regret, Mr. Chairman, that a question of mine of May 11 has not been answered. I am rather interested in it. In the last six months or so the Post Office Department seems to have been subjected to a rash of thefts and robberies. My question of May 11 asked for certain information concerning thefts and robberies over the past year or so. I am amazed, first, that it was found necessary to make it an order for return. I am very surprised that the post office was not in a position, on as important a matter as money being stolen from office after office across Canada, to give an immediate answer to that question. But no, they bury it by means of making it an order for return. The question affects only one department, so there could be no reason for letting it stand for more than two weeks without an answer. The only inference I can draw, Mr. Chairman, is that the Post Office Department does not know how much money has been stolen from it, where it has been stolen, who is being charged with those thefts or what sort of success is being achieved in curbing the thefts.

I think that is a particularly poor situation for a department which has had something of the order of a quarter of a million dollars stolen from it in the last six months. Among other things, this department found it necessary to engage a man who finally turned out, only a couple of months afterwards, to be one of Canada's 10 most wanted criminals.

Here is a release from the Royal Canadian Mounted Police dated January 27, 1955, which says:

> John Keith MacDonald, 46, an ex-insurance agent, has been added to Canada's most wanted criminals list. John Keith MacDonald has been identified as John Clealand Wallace Black who is wanted in connection with the $44,500 missing from the post office at Britannia Beach, B.C., on December 17, 1954.
>
> MacDonald, under the name of Black, was employed in the post office as a clerk.

In other words, we have now reached the point where the Post Office Department, handling tremendous sums of money like this, is apparently letting creep into its staff—who are almost all among the finest people in Canada—criminals who are prepared to steal money from the department. Do you not think that indicates poor supervision somewhere along the line, poor care in the selection of certain employees or a loose examination of the records of the people who are allowed to handle post office funds?

An hon. Member: Perhaps it is the result of patronage.

Mr. Hamilton (Notre Dame de Grace): My hon. friend points out that perhaps this man came in under patronage. There are lots of such people in the post office who certainly did not go through the normal civil service channels. I hope, though, that even the Liberal party is not accustomed to patronizing some of Canada's most wanted criminals. I have a lot against these men on the treasury benches, but I do not think they would go that far—at least, not in between elections.

There is one point I should like to bring before the house. On March 25, I asked another question concerning the machinations of the post offices in Montreal and Toronto in connection with the T-4 returns. I am not going to go into details on that because I am coming towards the end of my time. I do want to express my regret that the question has not been answered up until now. I should like the Acting Postmaster General to lay before the house the information which I know he now has in that connection, and explain to us why it is that the government must break its own rules. In other words, the Department of National Revenue prescribed that certain returns must be in by a certain time, and a penalty was attached to failure to observe this provision. Then the post office, daddling along again probably without proper supervision or control, breaks the rules of another government department, delays these returns and generally causes considerable inconvenience to the employees in a number of Canadian cities.

It was interesting, Mr. Chairman, when they did make the return in the province of Quebec, to find that they got around to filing the federal government return first and then the provincial return. I do not know whether or not that is any indication of this government's attitude towards these two income tax systems. I mention that as well, and I think we might have an explanation of it.

In the course of this talk, Mr. Chairman, I have pointed out first the woolly-headedness of the Post Office Department in coming before this house last year and asking for an increase in postal rates, at which time they cried poor mouth and indicated they would have no surplus. Then later they come along and inform us that they have made over $5 million. I have pointed out the unfairness of their labour policy in respect to vacations for letter carriers in certain parts of this country. I have pointed out ways in which they might quite legitimately and quite properly give the same service to the people of Canada in respect of the post office savings bank and save themselves $325,000. I have pointed out the way in which they could restore the two-a-day mail delivery over a period of five days a week to the centres which are now deprived of it with very little, if any, increase in the cost of providing the service. I have pointed out a situation that is rotten in respect of thefts from the department and the way in which they are allowing the occasional person of doubtful record to creep into their ranks and sully the reputation of 50,000 of Canada's most devoted civil servants. Then, I have pointed out the regrettable situation in connection with the filing of their own T-4 returns.

I think what I have said will suffice for this afternoon.

Mr. Winch: Mr. Chairman, it is not my intention to discuss more than one matter under this vote. I am not going to ask the Acting Postmaster General for a new post office at Vancouver. It is now being built, and we appreciate it very much.

However, there is one matter I most certainly wish to discuss this afternoon, a matter which I consider of the utmost importance—of such importance that I am going to be most careful and deliberate in anything I shall say about it. Sir, the use of the mails is very important; it is a great trust. I am hoping that after I have finished, the Acting Postmaster General or the parliamentary assistant will be able to give us some information.

In order to introduce the subject I have in mind perhaps I should give some background material. There has developed in Canada

and in the United States a practice of sending goods or magazines to citizens, even though such goods or magazines have not been ordered.

I have known this for some considerable time. My understanding of the law is that if one has not ordered goods or has not subscribed to a magazine, he does not have to pay. However, I am afraid there are many people in this country—I would say even a majority of people—who do not know that they are protected by the law which says that if they have not ordered goods or subscribed to a magazine they do not have to pay.

However, there has been an unfortunate development in Canada in that some companies are sending out goods and magazines without orders or subscriptions, and then forwarding letters through the mail demanding payment. I have heard about this often, but only recently did it come to my close attention. Someone may ask why I discuss this matter under the estimates of the Post Office Department. I do so because there is connected with it the use of the mails in Canada.

I have said I am going to be very careful and deliberate. I shall speak from my own knowledge—and not only that because I believe the hon. member for Winnipeg North Centre has had a similar experience. I say, sir, that in my estimation Her Majesty's mails in Canada are being used for what I call indirect blackmail, and that as a result many citizens of Canada are being placed in an invidious position, not because of Her Majesty's postal service but because of the use being made of it.

I would ask the Acting Postmaster General and the parliamentary assistant whether the law in Canada, and the regulations under that law, are adequate to take care of what is now taking place in this country. If not, will the government bring in the required amendments to the act or the regulations?

Let me place on record my own experience, to show what is happening. About two years ago someone—I do not know who—sent to *Life* magazine an order for a 12-months subscription to be delivered to me. I do not know who did that. I received *Life* magazine for 12 months and at the end of that time received a letter from *Life*, 540 North Michigan avenue, Chicago, Illinois, telling me that my subscription had expired.

I wrote the magazine saying that I had not subscribed and did not wish to have the magazine sent to me. It continued to come. They wrote me again saying, "You have not renewed your subscription", ignoring completely the fact that I never had one. They told me that I owed them a certain amount of money, and I replied "I have never subscribed to your magazine, nor have I renewed a subscription. I have told you once that I do not want to have the magazine sent to me." It continued to come, and I received another letter to which I replied as I had replied before. Those communications were from the United States.

But, Mr. Acting Postmaster General, last week I got something different. And what I received last week brings this matter within the purview of Her Majesty's mails in Canada. The letter I received last week was signed by a man named Charles A. Palmer, and the letterhead bore the name of *Life* magazine, of the United States. This letter from Charles A. Palmer, credit manager, enclosed a business reply envelope addressed to *Life*, Post Office Box 160, Toronto, Ontario, for the attention of Mr. Charles A. Palmer. So now it is strictly a Canadian matter, and a Canadian postal matter.

Sir, I want to read to you the letter I received, after having for months said I did not want the publication. I never sent for the publication; I have never taken any subscription to the publication. This is the letter I received through Her Majesty's mail:

I am very sorry that I have to write to you—

The Chairman: Shall I rise and report progress?

Progress reported.

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Northwest Territories Act.

An act to amend the Yukon Act.

An act to amend the Emergency Gold Mining Assistance Act.

An act to amend the Precious Metals Marking Act.

An act to incorporate Westspur Pipe Line Company.

An act to amend the Historic Sites and Monuments Act.

An act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1956.

SUPPLY

The house in committee of supply, Mr. Applewhaite in the chair.

POST OFFICE DEPARTMENT

334. Departmental administration, $1,546,388.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Winch: At the time we adjourned this afternoon, Mr. Chairman, in order that the House of Commons could attend at the other place, I was drawing to the attention of the committee a factor which I thought was of importance, namely that of using Her Majesty's mails for a purpose which I said—and I will repeat it—I thought was indirect blackmail. I had outlined to the committee a procedure which was being followed by companies in sending not only goods but magazines to citizens of Canada, then sending them a bill—even although they have not ordered the goods or the magazines—and then demanding payment. This afternoon I pointed out that this is followed up, to my own knowledge, by three letters from the United States. At the time of adjournment I had pointed out that on the fourth occasion it is a letter strictly from and in Canada, thus bringing the matter within the complete jurisdiction of the postal services of Canada.

At the time of adjournment I was just starting to read a letter which I received only one week ago about a publication which I never ordered, and never subscribed to. I wrote three times to *Life* magazine in Chicago, Illinois, saying that I did not want it. Yet from Toronto last week, under the name of Charles A. Palmer, I received a letter. Not only did I receive a letter but I received an envelope saying that it should be sent to "*Life*, P.O. Box 160, Toronto, Ontario. Attention: Charles A. Palmer". If you desire me to do so, Mr. Chairman, I will file that envelope with you. I also received a bill. I have it right here and I will file it, Mr. Chairman, if you desire me to do so. This bill says "Amount due, $7.87" and "Due for copies mailed, $2.60". This, sir, is from Toronto. Here is the letter sent through Her Majesty's mail on something I never ordered, with a bill which I do not know anything about. Here is the letter:

> I am very sorry I have to write you this letter. Up to now we thought you really wanted *Life*—and had just put off or forgotten to pay for your subscription.

Mr. Chairman, I never subscribed to that magazine in my life, but this is what I received:

> But now that your account has remained unpaid so long that we have had to stop sending you *Life*—now that we are billing you only for copies already served . . .

Mr. Chairman, the letter talks about "copies already served". I have said I will file, if you require it, the bill sent me for $2.60 for copies mailed but also due, $7.87. I quote again:

> For we are members of the Publishers National Credit Service; and, as members, we have assumed a very definite obligation to other publishers and to all other business houses that extend mail order credit.

Sir, I am asking you to note that term "mail order credit" because I am going to refer to it in a few moments. Again I quote:

> And that obligation makes it impossible for us just to forget the small bill you have owed us over these last few months, for each account on our books is closely investigated by the credit auditors.
>
> Somehow I can't help feeling that our not receiving your cheque or money order for so small a sum must have been a mistake. For it almost never happens that the kind of person who would be interested in *Life* consciously defaults his bill . . .
>
> If your failure to send your payment was just an oversight, will you please let me have your cheque in the enclosed envelope, marked for my personal attention, by return mail?

And "by return mail" is underlined. The letter is signed by Charles A. Palmer of Toronto.

Mr. Chairman, I have had a remarkable experience since I adjourned the debate when the Gentleman Usher of the Black Rod knocked on the door when I was speaking. Since then a number of members of parliament have come to me and said that they have had letters of a similar nature. I asked them, "What have you done with them?" They were not all from the same company. They all have told these people where they could go and, as I did, just how they could get there. But, sir, we are members of parliament. Perhaps we know something about the law. But if letters of this kind are being sent to members of parliament demanding payment and casting aspersions on our characters, I wonder how many thousands of people in Canada—who perhaps do not know the law as we do and who perhaps can be intimidated as we cannot be

—are getting letters of the same kind, demanding payment on something they have never ordered, and being sent through Her Majesty's mail.

The Chairman: Order. I have hesitated to interrupt the hon. member but I have been waiting with some interest to see how he would connect his remarks with the estimates of the Post Office Department. He has related at some length letters which he has received through the mails, but so far I do not see that he has shown in what way the Post Office Department would enter into this matter or how his remarks are related to the estimates of the department. I would ask the hon. member to relate his remarks to resolution No. 334, administration of the Post Office Department.

Mr. Winch: I am sorry, Mr. Chairman, I thought I had made that very clear when I began my remarks this afternoon. First of all I had to give the background of the picture and show what was happening. I pointed out that demands for payment, which I called and still call indirect blackmail, were being sent through Her Majesty's mails. The letter I have just read came through Her Majesty's mails. When I began my remarks this afternoon I asked if the Acting Postmaster General or the parliamentary assistant could inform the house whether it was permissible for Her Majesty's mails to be used along the lines I have been outlining. I have related the matter completely to the estimates now before us.

There is one other phase of the use of the mails for this purpose which can be very serious and detrimental to anybody who receives through the mails this kind of letter demanding payment and enclosing a bill for something never ordered or subscribed for. Information that payment is refused goes to a credit association, and there are such associations in every province of Canada. Such information about failure to make payment can hurt the credit of anyone in this dominion. Therefore I think this is an important matter. As I said only a few moments ago, I have discovered I am not the only one who has had this experience. A number of members have encountered the same thing. I have been told by three members of parliament that *Time* magazine is doing the same thing as *Life* magazine. Therefore I ask the question now, and I think it is important in the interests of the people of Canada, whether or not the postal law and regulations can prevent the Canadian mails being used for this kind of thing. If not, will the Acting Postmaster General take under advisement the amendment of the law or regulations to stop this practice on the part largely of United States companies operating through agencies in Canada, and which is now prevalent in this country.

Mr. Herridge: Mr. Chairman, this afternoon I was attending the external affairs committee and I am not aware of what course the debate has followed. However, I want to bring to the attention of the acting minister and his assistant a couple of matters I was asked to raise, and as usual I will be quite brief. Our letter carriers perform a very essential and necessary service and the amount of labour involved in it is not appreciated by many people. They walk miles every day going up and down steps from house to house. In my constituency their difficulties are rather above average. We have advantages and disadvantages on account of living in Kootenay West.

In the cities of Nelson and Trail the letter carriers have to climb hundreds of steps daily going from one street to another and therefore the performance of their duties is somewhat more arduous than is the general case throughout Canada. I know that their organization has made representations urging an increase in their rates of pay and improvement of their working conditions. I am simply going to ask that sympathetic consideration be given to these representations and that every consideration be taken of the burdensome nature of their employment compared with many other jobs in the civil service.

The other matter I want to raise has to do with what I think is a quite unnecessary burden placed upon the letter carriers by many companies. Letter carriers and postmasters tell me there is an increasing number of heavy catalogues, booklets of various kinds and other reading material going through the mails. Quite recently it was brought to my attention that *Reader's Digest* produced a special booklet and sent thousands of copies into my constituency. Each booklet weighed one pound, eight ounces, and the local letter carriers had to lug them around and make trip after trip to dispose of them. The whole staff was completely exhausted when that day's work was completed.

I suggest the Post Office Department should make some better arrangements and find some way of having this heavier material delivered without causing this completely unnecessary burden on letter carriers. I understand that formerly this only occurred at infrequent intervals, but now the carriers are repeatedly being burdened with heavy catalogues, booklets and things of that sort. I do not know what to suggest. Possibly

a card could be mailed from the post office to the person who is to receive the publication or some arrangement could be made for their distribution by freight or express. I was asked to bring these two matters to the attention of the acting minister, and I trust he will give them his usual serious consideration.

Mr. Byrne: Mr. Chairman, like the hon. member for Kootenay West, I was also busy this afternoon with committee work. I too do not know just what trend the discussion has taken. I want to say at the outset I have had the very finest co-operation from the officials of the department in all matters I have brought to their attention. But there is one matter I believe must go to the ministerial level for attention, the question of the differential in rates of pay between various classes of post offices. There are perhaps four post offices in Kootenay East that are grade 9 offices. The rates of pay for clerks in those offices begin at $2,010 a year and reach a maximum of $2,760 while postal clerks in the larger offices begin at $2,400 and reach a maximum of $3,360. I believe that the clerks in the smaller offices take the same civil service examination and are required to know as much about post office business and the distribution of mail to various countries as clerks in the larger offices. In the cities where the larger offices are, the cost of living is much lower in most cases. In East Kootenay, for instance, the men on prevailing rates are paid on the basis of rates in the mining and lumbering industry. Local conditions require a higher rate of pay for the employees to maintain equality with the local residents. Of course, the cost of groceries is very much higher than in the larger centres. It is for that reason I feel the clerks in the smaller grade 9 post offices should at least receive a rate comparable to that received by the clerks in the larger centres. I hope the minister will take that into consideration.

Mr. Ellis: There are one or two observations I should like to make on this first item. Last year a great deal was said about the introduction of the 40-hour week and the government used that as one of the reasons for introducing an increase in postal rates. This year the parliamentary assistant referred to the 40-hour week and gave us some figures of the additional cost to the post office as well as the number of new employees resulting from the introduction of the 40-hour week. Last year there was some doubt in the minds of many of us as to just what the 40-hour week was going to be, particularly in view of the fact the Postmaster General seemed to feel that it meant a normal working period of 40 hours, followed by an overtime period paid for at regular rates of pay.

This matter was brought up last year, but we did not get any clear-cut satisfactory answers. I am not satisfied, Mr. Chairman, that there has been any improvement in this regard during the past year. I am sure hon. members received a letter dated February 9 from the federated association of letter carriers, branch No. 3, Hamilton, Ontario, dealing with the situation in one of our large postal areas in Canada. From the information contained in this letter over the signature of Fred Bimson, secretary treasurer, the postal officials asked the employees of the Montreal post office to vote on a plebiscite to determine whether or not they were in favour of working a six-day week, and for the hours worked in excess of the five-day week they were to be paid at an hourly rate equal to their salaries.

Now, when that plebiscite was held the letter carriers revealed quite clearly by their vote that they did not favour the proposed changes in their working conditions. However, in spite of the fact the letter carriers voted down the proposition put forward by the postal officials the department nevertheless went ahead with their plans. They ignored entirely the wishes of the employees in this regard. According to the information that we received in February last, the secretary of the federated association of letter carriers protested to departmental officials. He was informed—

Mr. Kirk (Shelburne-Yarmouth-Clare): May I say that the particular plebiscite to which the hon. member was referring was purely a local plebiscite. It was held in Montreal at the request of the employees and had no particular official sanction and no action was taken. We carried on as we had in the past.

Mr. Ellis: I want to thank the parliamentary assistant for that bit of information. I had no way of knowing whether the plebiscite had been taken at the instigation of the Post Office Department or the employees. Nevertheless, the fact of the matter is a plebiscite was held, irrespective of the fact the initiative was taken by the employees, and apparently departmental officials were prepared to sound out the employees in that postal area. Those employees made it quite clear that they were not in favour of departing from the five-day 40-hour week. Notwithstanding the evident desire of the employees, the Post Office Department went ahead with the proposal. I am not suggesting it was made

mandatory or compulsory, but the employees would be asked to work a sixth day and if they agreed to work a sixth day they would be paid only regular rates of pay.

Mr. Kirk (Shelburne-Yarmouth-Clare): May I make this clear? The employees requested that this plebiscite be taken, and it was taken. In some areas a majority wanted the change and in other areas a majority did not want the change. The five-day 40-hour week was in effect before the plebiscite was taken and it was in effect afterwards. The vast majority of the employees throughout the city did not want any change. They wanted the five-day 40-hour week, and they still have it.

Mr. Ellis: The thing I am concerned about is this. If it is the policy of the department to institute a 40-hour week in certain localities in Canada, then that is departmental policy. I gathered from the remarks made by the Postmaster General at the last session that he did not see anything wrong in the idea of asking postal employees to work extra hours at regular rates of pay. I recall asking the Postmaster General at that time whether he was not aware of the fact that under normal practice when an employee works in excess of the 40 hours then that employee should receive overtime pay at overtime rates of pay. The ordinary practice is to pay time and a half for overtime. That is the thing about which I am concerned. I am glad the parliamentary assistant has given more information about this matter.

I am still concerned about the status of the 40-hour week in the post office in those areas in Canada where the department has presumably adopted the 40-hour week. I feel that if the 40-hour week means anything, it means that the normal work week is 40 hours. Every employee who is required to work a single hour in excess of 40 hours is working overtime and should be paid for that at overtime rates of pay. If you do not pay time and a half for overtime, then it is not a proper 40-hour week. That is the thing about which I am concerned. I believe that when the Post Office Department or any other department of government institutes a 40-hour week, they ought to be prepared to pay employees who are asked to work overtime at overtime rates of pay. I hope when the parliamentary assistant speaks later he will deal with this point and inform the members of the committee whether or not the practice is to pay overtime rates of pay. Otherwise this boast of the 40-hour week is not entirely accurate.

Mr. Pickersgill: Perhaps I may be permitted to interrupt the hon. member. I am informed that the regulations with respect to the 40-hour week in the post office are precisely the same as they are in all other branches of the civil service where the 40-hour week is in force. Any change that might be made would apply to the civil service generally and would be made by the civil service commission. It would not be within the power of the Post Office Department to make any change, and therefore it would hardly seem to be an appropriate subject to deal with on these estimates and should be dealt with on the estimates of the civil service commission.

Mr. Ellis: It seems to me that this afternoon the Acting Postmaster General has been on his feet three or four times stating points of order in which he has sought to circumscribe debate—

Mr. Pickersgill: To the Post Office Department.

Mr. Ellis: —by suggesting that we should bring this matter up or bring that matter up under the estimates of some other department. I suggest I would be out of order if I began to discuss the civil service as a whole. I am now dealing with post office employees because the estimates of the Post Office Department are now before the committee. What I am saying about postal employees certainly has an application in a wider field. But in an effort to be strictly in order I am confining my remarks to employees of the Post Office Department.

Mr. Pickersgill: If I might interject once more, I would say that I have not the slightest desire to circumscribe the hon. member or any other hon. member. But there is a rule which says that the minister who is responsible for and can do something about a certain thing is the minister who ought to answer in that particular field.

I understand these regulations with respect to hours of work apply uniformly to all branches of the civil service. They could not be changed by the Postmaster General, nor could they be changed for the Post Office Department as a separate entity. Unless there were a general change of policy, whatever can be done would have to be done at the instigation of the responsible minister. I do not wish to circumscribe the hon. member, or anybody else, but it is certain that there is a large area over which the Postmaster General has responsibility, and that is the responsibility for which he is expected to answer in committee—and not with respect to things not within his jurisdiction.

Mr. Ellis: Mr. Chairman, I would suggest that the Acting Postmaster General must certainly be concerned about the esprit de

corps among post office employees. I am certain he is concerned about working conditions because, after all, the efficiency of his department depends upon good relationship between employers on the one hand and employees on the other. I suggest that if the Acting Postmaster General or the parliamentary assistant is anxious to bring about better conditions within the Post Office Department he might use his influence with the appropriate minister to bring about changes, not only in the Post Office Department, but in other departments of government as well.

There is one other aspect of working conditions among post office employees I wish to mention. I am referring to the matter of holidays. It will be recalled that at the last session holidays were used as an instrument of policy on the part of the post office to bring about certain desired effects so far as staff was concerned. It will be recalled that as a result of a change in policy at that time, which I understand has been modified since, certain employees who took certain jobs were given priority in the matter of holidays. As I say, it is my understanding that this policy has been modified to meet the wishes of the employees.

However, I think it is indicative of the type of thing we must always watch for in this department, when we find that this year the Post Office Department—and once again I am speaking of that department, but it has its broader application—is determined to use the annual holidays as a weapon to achieve certain results in the administration of the department.

Mention was made this afternoon of the rather humiliating proposal that civil servants who are late a certain number of hours shall have their holidays docked. I suggest to the acting minister that that is not the way to deal with the question of habitual lateness. If it is found that there are employees who are causing trouble and who, without reasonable excuse, are late habitually, then I think the proper method is to deal with each individual employee. But to pass a blanket regulation to cover all civil servants is an insult to them and a humiliation of the worst kind. The government is treating civil servants as parents might treat children. The threat is made that if employees are late so many times then, as a matter of policy, so much of their holiday time will be taken away. To my way of thinking that is a very shortsighted and foolish policy indeed.

As a matter of fact one civil servant who spoke to me about the matter said that he had not been late for work in the last seven years, but that he was greatly upset about this ruling. He was not concerned about himself, but rather with the principle involved. It is such a childish procedure for the government to say to civil servants en masse, "If you are late a certain number of hours you will lose that time from your holidays". I suggest that holidays are the right of employees, irrespective of the jobs they are doing; and that to use a man's or woman's holidays as a means of bringing about certain results in the day-to-day administration of the department is, to say the least, a mistake.

It seems to me there are a number of improvements that could be made in the Post Office Department, so far as working conditions are concerned. Hon. members may have noted the recommendations made by employees of this department a week or so ago, as publicized in the press. It would appear to me that those requests are quite reasonable and that the government should be giving favourable consideration to them. There are some matters I shall not deal with this evening, because I wish to be brief. There is, for example, the matter of longevity pay, as well as other proposals that are reasonable and which should commend themselves to the Acting Postmaster General. I hope those suggestions will be given consideration.

I wish to close on this note. Last year I suggested that we are always going to have little annoyances from time to time, so long as the government treats its employees in the present fashion. The answer of necessity must be that employees of the government, working through their organizations, must be free to bargain collectively with the government as the employer. I am certain all hon. members have come to accept the idea of collective bargaining, under which employees, through their organizations, meet with employers around the bargaining table and reach agreements mutually satisfactory. I think that is the only proper way to carry on negotiations and day-to-day discussions between employee and employer. I suggest the government ought to be giving serious consideration to keeping away from the idea that federal civil servants must simply beg for improvements in working conditions dealing with matters such as overtime, wage increases and the like. The only proper way is to say to the employees, "You have your organizations which are free to bargain on your behalf. We will meet around the table as equal partners, and we will arrive at a contract dealing with wages and with working conditions generally." I believe that is the only answer to improved relations between the government as an employer and its

employees. It is something that we have to accept as normal and desirable in this country. Rather than always following the lead of other employers, the government should be setting the example. We have had arguments raised about the question of the 40-hour week in the post office. The 40-hour week should be made much wider in its scope; but the government takes the attitude, well, we are not going to institute the 40-hour week unless it is the normal practice in the area. In other words, the government as an employer is not going to set the example; it is going to adopt the 40-hour week in the areas where local conditions pretty much force it into that position.

I suggest that the government ought to be setting a high standard for other employers. One way in which they could do this is by revising their methods in dealing with employer-employee relationships. They should get the employees around the table and come to an agreement which would be applicable to both sides and mutually acceptable.

Mr. Boisvert: Mr. Chairman, I should like to say a few words in connection with the matter which was brought up this afternoon by the hon. member for Vancouver East. The hon. gentleman discussed a matter this afternoon and tonight which is giving some concern to many people. We are well aware in this country that some United States publishers are trying very hard to increase the circulation of their magazines and reviews. To arrive at their aim they are trying to get subscriptions to their publications in an indirect way. First of all, I must say I have no objection at all to the publication of those reviews, but I do object to their method of getting subscriptions.

There has been a decision in the courts, in the province of Quebec, to the effect that a contract cannot be a unilateral proposition. Therefore, if someone is receiving reviews, magazines or newspapers without having subscribed to them there is a way out. It is to refuse the publication, and send it back. In the province of Quebec no publisher can collect money from an individual who does not sign an agreement to receive a publication for a year, a month or two years. Of course, from another point of view I recognize that publishers are abusing their rights and are trying by all means to increase, if not their circulation, the amount of subscriptions. I am against that method of getting magazines into this country. I am against all kinds of pressure. I am not going to blame the department of the Postmaster General. The department has nothing to do with this problem. It is not the duty of the department to open the letters of publishers to see what is in them.

The Chairman: Order. The hon. member has just said that the Post Office Department has nothing to do with the problem he is discussing.

Mr. Knowles: He had better withdraw that.

The Chairman: I think I should advise the hon. member that I brought a similar point to the attention of the hon. member for Vancouver East, who then related his remarks to the Post Office Department. I would ask the hon. member who has the floor to bring his remarks within the discussion of the administration of the Post Office Department.

Mr. Boisvert: I was coming to that. I was saying that the department has no responsibility for that method of carrying on business. If the department could find a way to overcome the difficulty that now confronts the people of Canada with respect to these magazines I would ask it to do so. I think they could overcome the present situation by getting in touch with the department of the postmaster general in the United States and making representations to this effect. We must be free to subscribe to publications of any kind, provided that the morality of the same is safeguarded. I have nothing to say against them. The only departments which can help the people of Canada resist the pressure campaigns of publishers of all sorts of magazines in this country are the departments of the Postmaster General of Canada and of the United States.

Mr. White (Middlesex East): I suppose that no department of government enters into the daily life of every Canadian citizen as much as does the postal department. When I say that, I should like to pay my tribute to the parliamentary assistant, who is so ably carrying on the duties of the Postmaster General, who is ill.

The remarks I have to make tonight will be brief. There are two or three matters that are of particular interest to Canadians. The first is this. In a world that has been speeded up in the last 25 years the post office has not kept pace with the speedy developments. I see the parliamentary assistant looking at me and probably thinking of airmail. Twenty-five years ago a letter posted in London before five or six o'clock in the afternoon would be delivered in Toronto the next morning. Two months ago a friend of mine posted a letter in London and two days later it was delivered in Toronto. At the

same place at the same time he posted a special delivery letter, and it was delivered three days later in Toronto. It was addressed by the same man to the same persons and posted on the same day at the same post office.

When the all-up airmail was introduced, most Canadians thought they were going to get speedy mail delivery, but such is not the case. Thousands and thousands of Canadians who are paying a 25 per cent increase in first class mail rates, which is what the increase amounted to a year ago, are not getting any advantage from all-up airmail because of the fact that they do not live in areas where airmail is available. Much of the airmail within the province never gets to a plane at all. It is only when large distances are to be traversed that the all-up mail really comes into effect. An editorial in the St. Thomas *Times-Journal* of March 17, 1954, had this to say:

> People in the big cities may benefit from the all-air mail service, but the vast majority of Canadians who live in rural districts or in centres remote from airports used by T.C.A. will suffer grave inconvenience. There is real merit in the suggestion that a special stamp be issued that would serve as an ironclad guarantee that mail when desired shall move only by rail.

That indicates the thinking of some people in the country. I have here a news item which appeared in the London *Free Press* protesting the slash in the rail service in western Canada. It states:

> Changes in the Stratford-Sarnia route become effective next Monday.
>
> It was also announced that a truck will take over from the train in carrying mail between Sarnia and Stratford.

It goes on to point out that a passenger unit will leave Sarnia Tuesday, Thursday and Saturday morning at 8.30 beginning March 14. The train will make the return trip from Stratford Monday, Wednesday and Friday. I might mention this news item was written a year ago. If they have to depend on a schedule like that the people in that area are going to have a much poorer mail service than they have now. There is no provision in these trucks for sorting mail en route, which means that in many cases mail will have to be rerouted over the same route a couple of days later.

The establishment of the 40-hour week has made the people employed in the railway mail services begin to think that they are the forgotten people. Because of particular routes and train schedules they are penalized.

The United States has introduced a diesel motor truck which is equipped in the same way as the railway mail car. In many cases this service has proved to be more efficient and cheaper than the rail service. We are facing a problem as far as railroad revenues are concerned, especially in the case of the Canadian National Railways, and therefore I submit that motor truck routes should be set up only in those cases where the railways do not give a service.

There are four or five such routes that could be established in the vicinity of London, and I would just mention Clinton, Wingham, Kincardine, Wiarton and the Stratford-Sarnia service to which I referred a moment ago. I think western Ontario would provide a good area for an experiment of this nature because of the density of population, the conditions of the highways and the fact that there is a central administration point at London which is equidistant between Windsor and Toronto and serving the northern area of Huron and Bruce.

For the information of the minister I will send over this copy of the *National Geographic* magazine of July, 1954, which describes the development of this motor truck service where the sorting is done en route. In the truck service provided in Ontario no sorting is done en route. By adopting this other method the sorting could be done en route and mail delivery made much sooner than it is now.

Mr. Jones: I should like to endorse what the previous speaker has said, that while an excellent airmail service is provided for the larger towns some of the smaller towns are not getting the type of service they deserve, and I refer particularly to the interior of British Columbia. I suggest that the minister start to make greater use of the small air lines operating between Calgary and Penticton, and Vancouver and Penticton. This would speed up the service in that area.

What I rose particularly to do was to pass on several complaints I have received from British Columbia with reference to the period between the calling of tenders and the expiry date for filing applications for the conveyance of mail between stations and post offices and so on. I submit that an extra week's time should be given before the final date of acceptance, this to apply west of Winnipeg and definitely throughout British Columbia.

The nature of the complaints varies. One complaint I have is that the notice appeared in the post office for just one day before it was taken down. The person complaining did not know who had taken it down. Another complaint is that the notice was taken down

the same day it was put up. Presumably someone interested in the contract did not want any competition.

I suggest that there be a penalty for anyone removing such a poster from a post office before the time has expired for the receiving of tenders. I can give the minister the particulars of these complaints if he wishes to have them, but I understand that they are fairly general. Members of parliament receive copies of these notices but in many cases there is no possible chance of sending them along to someone in British Columbia who might be interested in tendering but could not get a tender in on time owing to the short period allowed for that purpose.

Mr. Leboe: Mr. Chairman, the hon. member for Vancouver East referred to the mails being used for the disposal of merchandise. I wish to warn the Postmaster General that when door to door service in place of a box service is introduced he might be on the lookout for people who send out little metal mail boxes. You wonder where it comes from, but after a while you get a letter saying it is worth $2.75. When you write back and say that you do not want the thing they ask you to pay the return postage. I suggest to the Acting Postmaster General that he note this, because it will happen again.

Mr. Small: Mr. Chairman, last year when the Postmaster General introduced a bill to change the postal rates we had the benefit of a report which had been issued on March 1, 1953. This year we did not have the benefit of the report of the department for some reason or another. I am not criticizing them for that fact. The report is dated October 1, 1954, and for the report that I have here I am indebted to the parliamentary assistant who allowed me to have it so that I could make some kind of comparison between last year's report and this year's report.

When they introduced the increased postal rates last year they anticipated a deficit in the department of somewhere in the neighbourhood of $13,500,000. I just thought that I would check over those figures with the report this year, and I find that they just do not seem to stand up. That brings back the contention that we made last year that there was not any justification for increasing the rates until such time as the suggested changes that were to be made in the department were put into effect, as recommended by J. D. Woods and Gordon and that then we would see what the outcome would be. But the department maintained that nevertheless the increased rate had to go into operation if the department was even going to carry itself for the next year.

Here is what they estimated. I will quote from last year's *Hansard* of January 14, 1954, at page 1124 when I quoted the Postmaster General's contention:

> . . . as I followed the reasons for the increase in the postal rates advanced by the Postmaster General, they are the five-day week or the forty-hour week at a cost of $5 million; the increase in wages that is involved in the amount of $7 million, and for the rural mail $1,500,000, amounting to approximately $13,500,000.

Then on top of that they estimated a deficit in the department, for the withdrawal of the excise revenue tax, of another $7 million or $7,500,000. It was a very extensive figure that ran into anywhere from $13 million to $20 million.

Our position in the opposition was this. We did not find out, until it was mentioned on the bottom of the page in the introduction, that they had received valuable assistance from the firm of J. D. Woods and Gordon Limited, management consultants. We wanted to know what that was all about. It was not for some considerable time afterwards that we were given the opportunity to look at the report and its contents were very revealing. The suggestions, recommendations or observations in it, if they had been followed out, would have made considerable economies in that department. In view of the report itself that had been tendered last year, the Postmaster General's report and the J. D. Woods and Gordon report, it would have been only fair to the people of this country if the government had introduced these changes before imposing the additional rates. That is what I should like to cover tonight.

There has been some improvement in the operation of the department. It is all very well when we criticize them for what we think is not competent or efficient operation. But when there has been improvement in the department they are at least entitled to some commendation, and there has been considerable improvement.

But I should just like to take their own figures. I quoted last year that over a period of 20 years there has been an increase every year in the revenue of some $4 million and that there has likewise been an increase in the expenditures, but on the sum total there has been a surplus or a profit each year; and I pointed out what had been done in the past by the postmaster general, the one outstanding postmaster general since confederation, Sir William Mulock. When he had charge of the department it was more or less his ambition and his goal to make it

work and to make it pay. He surprised everybody in that day by what he did. Instead of increasing rates, as soon as postal volume increased he would reduce rates. Then there would be a deficit for a year or so. Then following that, revenue would pick up in the course of three or four years and he would again have a surplus. He kept on doing this and he was criticized for it.

But the picture has changed. Now we have the postmasters general increasing rates and they have increased the rates. Inside of 10 years they have increased them by 100 per cent. Now they have increased revenue, but in this report it is not shown that there is increased revenue because the rates did not go into effect last year until April 1, 1954. The figures we have in the 1954 report of this department are based on the old rates of last year, with the one exception, namely the withdrawal of the excise revenue from cheques.

If you examine the figures closely and with the increase in wages that has taken place, you will find that the figures work out nearly to a balance or even-Stephen. He estimated the deficit on the excise revenue from cheques at about $5 million. It turned out to be some $7,500,000. He estimated the increase in wages at about $5 million for rural mail carriers, and other carriers at about $1,500,000. It did not work out to that because on their own figures of expenditures, in this report for 1954, on page 14—when you get the report you can look it up—there is shown an increase for salaries and allowances paid to revenue post offices, some staff post offices and sub-post offices. It amounts to a total of, in 1952-53, $15,417,000. For the year 1953-54 it is $16,636,000 or an increase of approximately $1,120,000. There is a vast difference between what the minister suggested was going to take place in the department because they are working exactly as they were last year, on the same set-up, with the exception, as I pointed out, of the withdrawal of the revenue from the excise stamps on cheques. But I pointed this out last year to them when we were discussing it, after we had the benefit of the J. D. Woods and Gordon report. Last year the Postmaster General, when he was supplementing his remarks, said:

> Perhaps I may complete my views on that subject. We had a surplus last year of $6½ million and this year we are going to have a deficit of $1 million. This deficit will result through the loss of $7½ million by the cancellation of the excise tax.

He says there will be a $5 million deficit due to the adoption of the 40-hour week, and $7 million due to the increase in wages of the general post office staff, $1,500,000 due to the increase to rural mail carriers and approximately $1 million covers the increase to the railway company, all this dealing in the realm of conjecture. I go on further to point out that the addition to the post office revenue that the minister was asking from the excise stamps on cheques was unwarranted, for this tax had its proper place in the consolidated revenue fund. To suggest the inclusion of receipts from this tax in the Post Office Department service or deficit was entirely wrong. In the first place the only conclusion that can be drawn is that it was an indirect way of supplying funds that were necessary for subsidies and subventions within the department.

It is now apparent that these concealed subsidies will have to be paid from the consolidated revenue fund and not from postal revenues. That is about what will take place. With the withdrawal of the $7 million benefit from their operations it just about brings the department out even. Next year when the increased rates will be in effect there will be a surplus of something like $14 million on the estimate of the Postmaster General, and I think the people of the country will feel that they have been taken in.

I mentioned last year that there were some illustrations of stamps in the report of the department. There was one very beautiful stamp. I guess you would call it a picture of a blue goose. At that time I think I described it as the goose that laid the golden egg for the government and said that if they were not very careful and if they pressed their luck too far they would kill the goose that laid the golden egg. This year in their report they have a new series of stamps which are also very good. One appears to be a polar bear, I presume, with the aurora borealis behind it. Then there is one of a mountain goat. There is also one of a reindeer or elk. I think it would be worth while if they had one with a fish, a clammy looking big sucker, to portray exactly what the government is doing to the people of Canada. They are just playing them for suckers with the increased postage rates and it would be very appropriate if they would introduce such a stamp to let the people know what is happening to them.

I have been checking over the changes in the department in the light of the recommendations in the Woods and Gordon report from the point of view of the economies that could be effected. Certain changes in the staff were recommended. I think I put on record last year a number of the changes and recommendations contained in the report which if followed out would bring about

economies in the operation of the department. They have carried out some of them. I have been comparing the organization of the Post Office Department this year with last year. They have been introducing changes, and I think it is all for the best that they are doing so.

Last year there were some 30 personnel divisions; they have made a rearrangement. There are some six branches this year and 38 personnel divisions, an increase of one branch and eight personnel divisions to operate the department in line with the recommendations of the Woods and Gordon report. We will not be able to get a real picture of the situation until next year because we do not know what is the full effect on the revenues with the increased postage rates. That is not apparent in the report for the year ended April, 1954 compared with the one ended April, 1953, and the rates have not been in effect for a full year. I have not had sufficient time to compare the 1954 report but offhand I would say that the revenues do not bear out the contention made by the Postmaster General that there would be a deficit. On their own figures they wiped out a surplus of $6 million odd last year, and for this year I think the amount is around $2,474,000, but they have not had a chance to get the benefit of the increased revenues for a full year. If you compare the financial results for the past 20 years, the result still comes out the same as it did last year. There were only three years in those 20 years in which there was a deficit. In all those years the surplus averaged about $100,000.

In face of that I suggest the department should consider reducing the postage rates again because, even on the figures they gave us, their contention has not been upheld. When they have the benefit of the increased rates for a full year they are going to have a surplus, and I do not know what their story is going to be then. It was contended that with the introduction of the 40-hour week for postal employees and the increased wages for postal employees and the rural mail carriers there would be a deficit of somewhere around $12 million, but all that shows up in this year's report is $1,250,000.

The estimating of the department is very much out, and if that is the kind of estimating they are capable of the house should not have very much faith in their estimates for the future on the basis of this performance. Mention is made of improvement of the postal service and the question of public relations from the point of view of educating people to address their mail properly with the right name and address so as to help the postal carrier. I suppose one cannot be too critical of that, but there is some cause for humour in it. In the old days when someone had moved or there had been some changes or there were misdirections or wrong numbers on letters you could always rely on the postman on the beat. He would see that letters got to the right place without too much difficulty. He would say that so and so had moved up the street or over to the next street and he would make the correction himself.

I have had mail sent back to me when there was only a difference in the address of six or seven houses from the place where the person had moved. These letters have come back with the notation, "Not known, not at this address." Yet the individual was living on the same street only five or six doors removed from his old address. One might say that there was a new man on the beat but still that does not warrant it because the people living at the old address will tell the postman that the former resident has only moved three or four doors away. But the postal carriers now must have instructions from the department to return the letter to the post office if the people are not at the address, and letters are returned irrespective of the expense involved.

I do not say this by way of criticism of the heads of the department, but I do say it is a change from the good old days when you could rely on the postman to see that the mail got to the right place. I would ask that next year we receive the report of the department in time for us to make comparisons. Then we would be in a better position to offer constructive criticism of the operations of the department. At the present time we are more or less just taking a guess at what has happened. I was fortunate, as I said, in that the parliamentary assistant let me have his copy of the report so I could make a hasty summary of it. If my remarks do not jibe entirely with the report it is because I have summarized it in haste, and when I have a chance to go over it more thoroughly I will probably have something further to say.

Mr. Barnett: Mr. Chairman, I am not at all sure that the little bouquet I had for the minister may not have one or two skunk cabbage leaves in it too as in the case of the member who has just spoken. He remarked that he had noticed some improvements in the Post Office Department in the last year, and I was rather hesitant about rising right after him because I was afraid that the shock of two opposition members making remarks of that nature one after the other

might be too great for the minister to stand. However, I shall say at once my remarks are going to be somewhat more brief than perhaps they were on this item a year ago. At that time I had occasion to remind the Postmaster General of a statement which had been made that when the new postal rates went into effect all first class mail would be carried by air wherever such carriage would speed its delivery. I said at that time I hoped to discover the Postmaster General would realize that Canada did not stop at Vancouver. I am very glad to be able to state this year that so far as I am concerned some recognition has been given to that fact, and there has been some improvement made in the matter of the carriage of mail by air to some of the more remote places in British Columbia.

I hope that having said that the minister and his officials will not simply sit back and bask in those remarks. I hope they will recognize that in a good many respects there is still some room for improvement in that situation. I could, of course, go on to tell them of the fact that there are at least two places where we badly need new post office buildings and other places where better facilities are needed. However, I shall not take the time to go into all the details of that tonight.

I was interested in some remarks which were made this afternoon by the parliamentary assistant. I was not quite able to follow all of them, but they concerned the possibility of improved conditions, and in some cases improved income, for the postmasters in revenue post offices. I hope that the result of his remarks is that there will be a further improvement in that particular direction. I do know that in many cases in communities where, on a straight revenue basis, the post office may not appear to be very important, nevertheless the duties which are being performed year in and year out by these postmasters are certainly far beyond the scale of remuneration they have been receiving. I believe there is an area of the public service which, in a great many cases, could very well receive better financial recognition than has been the case.

(*Translation*):

Mr. Dufresne: Mr. Chairman, like the hon. member for Three Rivers (Mr. Balcer), who spoke this afternoon on the estimates of the Post Office Department, I want to offer to the minister, who has been away from the house for quite some time owing to ill health, my best wishes for a quick and complete recovery. I am sure that all hon. members have regretted his absence and missed his smile and good humour.

The sympathetic Postmaster General (Mr. Cote) has been compelled for several years to work hard under unfavourable conditions, not to say unbearable.

We often find that in certain branches of the department, the minister only plays a secondary part and that he is, as it were, a front that must be saved. The Postmaster General is one of those ministers whose authority exists in name only and who is not permitted to play the part assigned to him.

Mr. Boisvert: That is not as good as the first part.

Mr. Dufresne: Wait until the end.

He must nevertheless face our bitter criticisms on the administration of the department and cover as best he can those who have given orders one way or the other and who are the real masters and authorities in the department.

We are particularly concerned with this today. No one can deny that the great master of the situation, the one who makes and cancels decisions, the one who rules the roost within the department, in the presence or in the absence of the minister, is none other than the all-powerful deputy minister, Mr. Walter Turnbull.

Mr. Gauthier (Portneuf): Listen!

Mr. Dufresne: Far be it from me to think that the minister—

(*Text*):

Mr. Pickersgill: I am wondering if, in the absence of the Postmaster General who is not here to defend himself, it is a proper thing for the hon. member to cast these reflections on him as a member of this house.

Mr. Dufresne: I think the minister is not aware of what I am saying.

Mr. Pickersgill: On a question of personal privilege, Mr. Chairman, I listened to every word the hon. gentleman said and I comprehended their meaning thoroughly.

Mr. Dufresne: On the point of order, I began to say I regretted that I could not give my speech in English as I had intended, but I thought I would be speaking tomorrow afternoon. For the benefit of most members of the house, my intention was to speak in English. I should say on this point of order, Mr. Chairman, that I have the greatest sympathy for the minister. I was just saying in French that I regretted the fact that the authority in the Postmaster General's department did not lie with the minister but rather with the deputy minister, Mr. Walter

Turnbull. That is exactly what I was saying. I was not saying anything against the minister, for whom I have the greatest sympathy.

Mr. Boisvert: Would the hon. member permit a question?

Mr. Dufresne: I am speaking to the point of order, and I do not intend to be interrupted by the hon. member for Nicolet-Yamaska. If he wishes to ask a question, he may do so now.

Mr. Boisvert: May I ask the hon. member a question?

Mr. Dufresne: Certainly; go ahead.

Mr. Boisvert: Does the hon. member believe that it is fair to say what he has already said against the deputy of the Postmaster General, when the minister is not in this house?

Mr. Dufresne: The Acting Postmaster General is here and the parliamentary assistant is here. A few minutes ago, Mr. Chairman, I said I regretted the fact that I did not have any opportunity to translate my speech into English.

The Deputy Chairman: Order; the Acting Postmaster General having raised this matter as a point of order, I suppose it is my responsibility to settle it to the extent that it can be settled. I would say that criticism of the Postmaster General, even in his absence, in his capacity as Postmaster General is undoubtedly in order. The administration of the department is before the committee at this stage and it is the only stage in our proceedings during which the administration of the department can be criticized. Criticism of the administration of the department is the privilege of the members of the house.

I do not believe it is the duty or the responsibility of the chairman of the committee to try to guide members in what is or is not ethical or in good taste. I should like to express my personal opinion that the conduct of the department is a fair subject for criticism even though, through unfortunate circumstances, the minister is absent. I might perhaps be permitted to go this much farther and to suggest to members that criticism of a nature which could only be answered personally by the minister himself and which, under the force of circumstances, could not be answered either by the acting minister or the parliamentary assistant, might safely be left unsaid at this time. I do not think I have the power or the right to go farther than that.

Mr. Dufresne: Mr. Chairman, thus far I have not criticized at all the Postmaster General, and it is not my intention to do so. A few moments ago I was speaking in French, and I shall continue to do so.

(Translation):

Mr. Chairman, far be it from me to think that the minister is not qualified to conduct the affairs of his department were he given the opportunity to do it, but in the case of the present minister as well as in the case of those who preceded him in this position since the end of the last war, history repeats itself.

In this connection, I wish to quote from an editorial by Mr. Pierre Chaloult which appeared in the Ottawa paper *Le Droit* on April 19, 1955, under the heading:

The Battle Against Shadows

We hear about the impending resignation of one of the youngest and most active members of the federal cabinet, Mr. Alcide Cote, who, as the rumour goes, would no longer be able to work twelve hours a day, the time needed to supervise the administrative mafia entrenched in the Post Office Department for some years.

In other words, the report has it that they finally wore down this incumbent as they did his immediate predecessors.

For it is obvious that the Post Office Department, formerly a realm of peace and quiet, can only be thought of now in terms of insoluble problems, while the ministers, one after the other, not only come to their wits' end but lose face, however strong they may be physically and politically.

When, indeed, Mr. Ernest Bertrand, on August 29, 1945, left the Department of Fisheries to become Postmaster General, he found, when he assumed his duties, a new deputy minister, Mr. Walter James Turnbull.

The latter knew the department inside out. He had spent his career there before becoming private secretary to the then prime minister who had just made him a deputy minister, no doubt as a reward for services rendered.

Now, it so happens that from that time on, exactly, the history of that department has ceased to be that of the minister in charge of that portfolio to become that of the deputy minister whose hand has never ceased to appear in every intrigue, every plot, every difficulty which has beset the representatives of the department in the federal cabinet.

After three and a half years of undistinguished rule, Mr. Bertrand abandoned politics as well as his portfolio which he passed on to one of the most brilliant and dynamic representatives of the rising generation, Mr. Edouard Rinfret who, following a short though hectic stay in that position, was obliged, in turn, to bow to Mr. Turnbull, until such time as Mr. Alcide Cote will be compelled to do likewise.

Such an opposition, hidden but unmistakable, between the deputy minister and the minister was in no manner helpful to the latter and, both under the administration of Mr. Rinfret and that of Mr. Cote, there were debates during which the postmaster general, hedged in all around, had to fight off not only the three opposition parties, which is normal, but also his own administration (which is less normal) and even some of his colleagues who under the pretence of help threw banana peels under his feet. In other words, blows came not only from the front and from below but also from behind.

Such tactics were evidently not of the kind to help the minister consolidate his position, and the deputy minister, back in the shadows, could gloat with pleasure and lick his chops, which he evidently did.

What would Mr. Turnbull be hoping for besides his present position? Why is he so bold as to risk everything, including a false step which might bring about his downfall?

What purpose was he following in all these intrigues? Could it be that, as former secretary to Mr. Mackenzie King, as was, from 1924 to 1926, Mr. Ralph Campney (now Minister of National Defence), as was from 1937 to 1952 Mr. John Pickersgill (now Minister of Citizenship and Immigration, as well as acting Postmaster General), as was Mr. Lester Pearson, former deputy minister of the former prime minister himself (now Secretary of State, that is, minister, for External Affairs), just as his former colleagues who lived within the orbit of the former master, Mr. Turnbull was hoping to see himself some day appointed Postmaster General?

Mr. Pickersgill: What poppycock!

Mr. Dufresne:

Maybe the relations between the minister and his deputy minister would then become less intricate?

Who knows!

This article, in my opinion, gives the perfect picture of the situation that had obtained for a long time within the Post Office Department, a situation for which, as you will note, the present deputy minister, Mr. Turnbull, is solely responsible. This situation being generally known, it is, doubtless, one of the main reasons for which we sympathize so much with the Postmaster General.

There is confusion in the post office administration, a confusion that was evidenced last year by my hon. friend from Notre Dame de Grace (Mr. Hamilton) and admitted by the hon. minister, because the authority responsible for the department is not respected. It has been replaced by that of the deputy minister, who is in no way answerable to either the people or parliament.

Most of the time unaware of what is going on, the minister is caught in an unqualifiable position, facing a cross-fire of protests from all sides. Unfortunately, his job ends there, except for a few speeches now and then, at the opening of a new post office, or when he has to represent the Prime Minister at some place when the latter is unable to attend because of his numerous engagements. Now is the time more than ever to have the ministers administer their own departments and not inferiors who get their bureaucratic authority from I do not know where. If the deputy minister, as in the case of Mr. Turnbull, takes over certain powers which belong only to the minister, who is solely responsible to the people and to parliament, a superior authority, in this instance the Prime Minister, should put an end to this unseemly monopolizing which is a serious obstacle to a good administration.

Having set forth this extremely important principle, I will now come to another problem which deserves the full attention of the department, of the house and the whole population.

On February 24 last, the hon. Minister of Labour told the house that an employment agency which claimed to find jobs within the organization which is to build the St. Lawrence seaway had been precluded from using the mail. And the minister added that other similar companies were being investigated.

I was one of the first to endorse these steps to protect our working public against some exploiters. The agency was ordered to explain its action within 10 days before a hearing committee of the department. We have never been told what was the outcome of the inquiry, but we know that the mail service was suspended at that time for this agency until it would prove that it was not guilty of the charge laid against it of having used Her Majesty's mail to make false representations. Such procedure meant that the local office no longer delivered mail to the agency and that letters were returned to senders.

All honest people were glad of that decision and the Post Office Department was congratulated for the energetic stand it had taken.

That wonderful picture is marred, however, Mr. Chairman, by circumstances which bring forth the conflicting attitudes of the Post Office Department and of the federal government.

At the very moment when an agency fraudulently obtaining money from the people is prevented from using the postal services, which is excellent, the propagandists of that infamous ideology known as communism are still allowed to distribute their pernicious literature in all Canadian homes. This infernal propaganda, however, does not merely aim at subtracting a few hard-earned dollars from the taxpayers, but its self-imposed devilish mission is first to poison and then to kill the soul and heart of all those candidly trustful people, who yield to this indoctrination. The hon. members of this house are not spared by this communist literature and are snowed under by letters and publications arriving by mail at their offices, even without postage on them.

As a citizen of the province of Quebec more particularly I cannot let the sickle and the hammer become the symbol of honour.

I would like to draw the attention of the Postmaster General to a certain bureaucracy, not to say gestapo, which is now prevailing in his department in the city of Quebec. I believe that the minister has realized what is happening, because I am told two officials from the department in Ottawa, Messrs. Craig and Charlebois, are now in Quebec to investigate the matter and find out what is going on.

The employees are said to be complaining of the harsh treatment. In fact those who could be doing their work sitting down are no longer allowed to use a seat. An iron rule prevails there. The government has undoubtedly become aware of it because I am told two investigators are now making a thorough investigation into the dictatorial doings of certain officials.

If, in the course of this investigation, present employees are interviewed, I would suggest to the department that all those who, within the last year for example, have either been dismissed or have resigned for the simple reason that, in their judgment, they were working in an unbearable atmosphere, be also consulted so that we may know the real reasons behind either their resignations or their dismissal.

I will also bring to the attention of the acting minister a refusal which cannot be justified and that I had to put up with some time ago when I asked for some information which should be available to any member of parliament, as it did not call for the production of any confidential documents.

I wanted to know, once, in order to compile some statistics on employment, what was the amount of unemployment insurance stamps which had been bought at the post office and distributed in the district. I was flatly denied this information, on the grounds that an order from the minister was necessary to divulge this information.

Some departmental officials are usurping privileges which should normally be denied them. I believe that elected representatives of the people are entitled to this information, particularly in view of the fact that it becomes public knowledge overnight.

I protest against this state of affairs and I hope that the minister will see to it that this does not happen again.

I now have another suggestion to offer the Post Office Department. For a number of years, the Quebec Power Company, of Quebec city, had a contract with the department allowing mail carriers and certain other classes of postal employees to travel free on Quebec city buses—or street cars at the time. Numerous representations have been made on behalf of the mail carriers since the day the company decided against renewing this contract. However, the department would only consent to allow its mail carriers two street car tickets per day. This, to my mind, is unfair, considering the privileges they previously enjoyed. There have been talks between the departmental officials and the Quebec Power Company, but, so far, to no avail.

I am not trying to blame the department for that failure, since I am told that it was the company that refused to grant that privilege to the postal employees. The new agreement between the company and the city of Quebec withdraws that privilege from policemen and firemen as well as from letter carriers.

I know for a fact however that the Post Office Department has offered to pay the Quebec Power Company $113.33 a year per letter carrier for their transportation, and that the company refused the offer. These poor employees are now receiving only two tickets a day and must pay out of their own pocket the additional tickets they need to reach their place of work, get their mail and deliver it.

Let me point out that the offer of the department to the Quebec Power Company is fair and that every letter carrier is entitled to that amount.

Raising the mail carrier's wages by $113.33, which is the amount offered to the Quebec Power, would give all concerned a square deal. If the employee spends only from $50 to $60 a year, the difference would be his to keep. If, on the contrary, he travels by bus often enough to spend more than $113.33, let him pay it out of his own pocket. I feel that would be an act of elementary justice for those devoted public servants who never miss an opportunity to serve the people.

I already had an opportunity, some time ago, to convey to this house a suggestion made to me by the various credit unions throughout Canada which now have a membership of 1,500,000, of whom 1 million are in the province of Quebec.

Requests reached me from all the credit unions in the city and district of Quebec, asking me to speak on their behalf to the minister in order that, during 1955, the birth

of their founder, a man who did so much good for the people, especially in the homes of working people, be commemorated by the issue of a postage stamp bearing the effigy of that great Canadian. The request is as follows:

Whereas the Post Office Department issues from time to time postage stamps bearing the effigy of prominent people who have been illustrious in Canadian life;

Whereas Commander Alphonse Desjardins was the founder of the credit unions;

Whereas his work has now spread to all parts of Canada and in the two Americas, and renders immeasurable services;

Whereas the year 1955 marks the centenary of the birth of Mr. Desjardins;

Whereas the founder of credit unions is recognized as a Canadian benefactor;

Be it resolved:

That the board of directors of the credit union, representing a certain number of members . . .

I am not going to mention any particular group, because there are a great many of them.

. . . express the wish that a stamp be issued in honour of Commander Desjardins, and that a copy of this resolution be addressed to the Right Hon. Louis St. Laurent, the Hon. Alcide Cote, the Hon. Cyrille Vaillancourt, the Hon. Chas. G. Power, and Mr. Wilfrid Dufresne, M.P.

All his life, that great Canadian dedicated himself by teaching thrift, and I think the Postmaster General should seize the occasion of the centenary of Commander Desjardins' birth to pay him a tribute by issuing, in 1955, a stamp bearing his effigy.

Mr. Chairman, we are told that a new post office will shortly be built in Quebec city on a block of land registered until lately by the city of Quebec, but the registration of which was recently cancelled to enable the federal government to purchase the land.

A letter was sent a short time ago to all store owners and to all people who have homes within that block, ordering them to leave the premises on May 31, if they did not want to become liable to the penalties provided by law. The said letter was sent on May 6 last, which means that those merchants who have been in business at that same place for the past 50 years, were given only three weeks to get out.

In the name of all those people who would be only too glad to move elsewhere, provided they be given sufficient time, I urge the Post Office Department authorities to speak on their behalf to the Department of Public Works so that this post office may not be erected right now and so that they be given time to find new locations. In Quebec, as elsewhere, there is a housing problem; people living in those houses should be given time to find another home.

Mr. Boisvert: And what about unemployment of which the hon. member speaks so much?

Mr. Dufresne: I was expecting that question from the hon. member for Nicolet-Yamaska (Mr. Boisvert). He wants to speak about unemployment? A post office is to be erected. I did not object to the construction of that building but I believe that it should be built in a more suitable place.

To begin with, I do not know whether the Quebec municipal council has been stampeded into this, but this registration must have been sanctioned yesterday in the superior court. And yet it had provided for the demolition, at a given time, of all the buildings in this block in order to improve traffic conditions in Quebec city.

The distinguished French town planner, Jacques Gréber, was among those who had submitted recommendations to the town planning committee. I cannot understand how it is that the Post Office Department can so summarily dismiss the views expressed by Mr. Gréber and make such short shrift of a plan prepared by competent authorities. Why does it have to erect, in the very heart of the city, where traffic moves only very slowly as it is, a building far exceeding in area the block of which I spoke, in such a way as to prevent any easing in cross-town traffic conditions.

May I be permitted to tell the minister that at that spot, traffic congestion is frequent and that about 133,000 vehicles pass that point between eight o'clock in the morning and eight o'clock at night. The streets of Quebec city are already narrow enough and I do not see why the federal government would wish to add to the traffic problem and would want to build a post office—

(*Text*):

Some hon. Members: Ten o'clock.

Mr. Dufresne: May I have just a few minutes?

The Deputy Chairman: Has the hon. member for Quebec West unanimous consent to continue after ten o'clock?

Some hon. Members: No.

Mr. Nicholson: There is not unanimous consent tonight.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Knowles: What is the business for tomorrow?

Mr. Harris: May I express my personal regret that it was not possible to go on tonight to complete some business so that we might have a more expeditious disposal of the post office estimates tomorrow. I quite understand that hon. members have had a long day. If they would be good enough to consider that normally we do not take more than a day and a portion of another day on a department of this size, we would continue tomorrow with post office, hope to complete it in the early afternoon, and then go on with agriculture.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, May 27, 1955

The house met at 2.30 p.m.

THE CANADIAN ECONOMY

INQUIRY AS TO APPOINTMENT OF ROYAL COMMISSION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Finance when he expects to be in a position to make an announcement concerning the proposed appointment of a royal commission to inquire into the economy of Canada?

Hon. W. E. Harris (Minister of Finance): I am not in a position to make an announcement at the moment, nor is it probable that I will be for some time; but if hon. members are thinking in terms of discussing the matter, there will be an item in the supplementary estimates for consideration.

Mr. Fleming: It was not with a view to discussing it. It was with a view to eliciting from the minister whether we may expect an early announcement by the government about the appointment of the royal commission and its personnel.

Mr. Harris: Not for the time being, Mr. Speaker.

Mr. Rowe: A change of policy?

Mr. Drew: That is a very informative answer.

CRIMINAL CODE

DECISION OF ONTARIO COURT OF APPEAL—INQUIRY AS TO AMENDMENT OF CODE

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to direct a question to the Minister of Justice. Has the minister noticed the finding of the Ontario court of appeal in a perjury case, as reported in the Toronto *Star* of May 14? If so, is he planning to introduce any amendment to the Canadian Criminal Code to take care of the point successfully raised by the defence lawyers?

Hon. Stuart S. Garson (Minister of Justice): The charge to which my hon. friend has referred, which was in effect dismissed by the Ontario court of appeal, was a charge of fabricating evidence laid under section 177 of the old code. Subsection 2 of section 171 of the old code, which contained a reference to proceedings before parliamentary committees, related only to proceedings for perjury under section 170 of the old code, and therefore was held to have no application in the case which came before the court of appeal. The fault which I have just referred to was rectified when the new Criminal Code was enacted.

Mr. E. D. Fulton (Kamloops): I should like to ask the Minister of Justice a question supplementary to that asked by the hon. member for Burnaby-Coquitlam. Has the minister or his department given consideration to the implications of the findings in the judgment of the Ontario court of appeal, to the effect that parliament is not a court, with a view to introducing legislation or taking whatever action may be necessary to make it clear that parliament is a court?

Mr. Garson: I indicated that in the reply, Mr. Speaker, which I gave a moment ago to the question of the hon. member for Burnaby-Coquitlam. I said that in the drafting of the new code we had examined those sections of the old code in question and had endeavoured, I think successfully, to correct the point which was dealt with by the Ontario court of appeal in this case, in which the charge was laid under the old code.

Mr. J. G. Diefenbaker (Prince Albert): Arising out of the minister's answer concerning whether or not parliament is a court of record, the minister mentioned an amendment that has come into effect. In the new code it is simply provided that it is an offence when perjury is committed before committees of the house or Senate; but the larger question as to whether or not parliament is indeed a court of record will be left in a very doubtful position unless an appeal is taken from the decision of the court of appeal of Ontario. After all, we have always accepted that parliament is a court of record.

Would the minister consider either appealing that case on that point or bringing in an amendment?

Mr. Garson: The question that was asked by the hon. member for Burnaby-Coquitlam dealt with a legal point which had arisen in this Ontario case. We have been trying to get a copy of the reasons for judgment of the court of appeal of Ontario in that case, and failing that we have been in communication with the deputy attorney general of Ontario seeking confirmation of our own impression that the point involved in that case had already been taken care of by the provisions of the new Criminal Code. Now, not having seen the reasons for judgment of the Ontario court of appeal, I am not in a position to say whether they are capable of the more extensive implications the hon. member for Prince Albert is now imputing to them.

I am, however, rather inclined to think the Ontario court of appeal judges were dealing only with the interpretation of the relevant section of the old code in reaching the conclusion they reached in that case. The question was whether the accused, upon the facts, was guilty of an offence under section 177 of the old code. This question, again, turned upon whether those proceedings before a parliamentary committee were court proceedings within the meaning of this section 177 of the old Criminal Code; and not I think upon whether they were court proceedings in the larger sense in which my friend from Prince Albert now refers to them.

Mr. Diefenbaker: The minister will look into it, anyway.

NATIONAL DEFENCE

AUTHENTICITY OF "NIKE" DISPLAYED ON PARLIAMENT HILL

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): May I direct a question to the Minister of National Defence. In his reply to a question yesterday he referred to the guided missile displayed on parliament hill yesterday as a "Nike". Was that a real "Nike" or was it just a wooden mock-up?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I did not attempt to dismantle the "Nike", and I do not know whether it was real or partly real. I do know it was purported to be a "Nike" without the booster, which would have made it about twice the length it was. However, I do not make a practice of examining all the shells we have on display or which we use.

Mr. Pearkes: I hope all our weapons are not as phony as that.

PRAIRIE FARM ASSISTANCE

MANITOBA—INQUIRY AS TO COMPLETION OF PAYMENTS

On the orders of the day:

Mr. William Bryce (Selkirk): I should like to direct a question to the Minister of Agriculture. What progress is being made toward completing prairie farm assistance payments? Will the balance of the payments be made at an early date, in view of the disastrous financial position of many farmers?

Right Hon. J. G. Gardiner (Minister of Agriculture): I presume the hon. member is interested in the Manitoba payments.

Mr. Bryce: Yes.

Mr. Gardiner: The total number of townships paid in Manitoba is 696; the total number of farmers who have been paid is 21,892, and the total amount of money paid is $3,909,025.50. There may be some cases that are still under inspection or reinspection where payment has not been made, but a very large percentage have already been paid.

Mr. Bryce: You do not know how many more remain to be paid?

Mr. Gardiner: No. That will not be known until all the checks have been made on the requests for reinspection.

SASKATCHEWAN—PAYMENTS TO COMPENSATE FOR FLOODING

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to ask a question of the Minister of Agriculture. Is it government policy to make payments under the Prairie Farm Assistance Act, as recorded in the *Leader-Post* of May 17, wherein Mr. W. R. Bird, director of prairie farm assistance, is quoted as having said:

> If flooding makes a township eligible, then payments will be made.

I was wondering if the minister would care to comment on when payments under this act will be made in Saskatchewan.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Bird, the director of prairie farm assistance, could have gone even further than he has gone in this statement. I read the statement in the press where he is reported to have said:

> If flooding makes a township eligible, then payments will be made.

He might have said:

Where flooding has made townships eligible payments already have been made.

Payments are very considerable in the province of Saskatchewan. I gave the figures a few moments ago for Manitoba. Payments in Saskatchewan have been made to 2,628 townships and 85,156 farmers, and the total payment has been $20,756,025.25. I understand this represents payments to 75 per cent of the farmers in Saskatchewan. I think it will be recognized by every hon. member that fairly reasonable progress has been made, and that includes all the persons who would be eligible under the statement made by Mr. Bird.

Mr. M. J. Coldwell (Rosetown-Biggar): Will the minister permit a supplementary question in order to clarify the position? There is some confusion regarding this statement. I understand that payments are not made on land which is flooded unless the land has been seeded; that land which is not seeded is not eligible for prairie farm assistance. Is that right?

Mr. Gardiner: That is not exactly correct. In the first place there has to be an area which has no crop or has a low crop for some reason, below 8 bushels to the acre. That may be a township, or it may be 6 sections or more in a township, depending on the situation which the hon. member understands. In addition to that, the land has to be "cultivated land" but not necessarily seeded land. Cultivated land is defined in the act as seeded land or summerfallow land or land that is in grass that has been seeded down. Payments are made in accordance with these provisions in all the areas that have been flooded, and have been made up until now. I think that is a full explanation of how the payments are made.

Mr. Coldwell: To get it quite clear, in estimating the kind of land that is eligible is it fair to say that non-seeded land is not included?

Mr. Gardiner: No; non-cultivated land is not calculated.

Mr. Coldwell: If the land is cultivated—

Mr. Gardiner: In figuring the actual seeded acreage and the yield, which is less than 8 bushels to the acre or higher than 8, that of course is based on the seeded acreage.

Mr. Coldwell: Then land flooded but not seeded—

Mr. Speaker: Order.

Mr. Coldwell: I want to get this clear, because there is confusion.

Mr. Speaker: Could we not wait until another occasion arises to elucidate further how these payments are arrived at, because there may be other questions to be asked on other subjects?

FISHERIES

REPORTED LARGE NUMBERS OF DEAD HERRING IN GULF OF ST. LAWRENCE

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I should like to direct a question to the Minister of Fisheries. Is the minister aware of reports that large quantities of dead herring—I mean dead herring, not red herring—have been found in the fishing grounds in the gulf of St. Lawrence and the bay of Chaleur, and are causing great concern and alarm amongst the fishermen of the area? If so, are any steps being taken by the fisheries research board to determine the cause of the appearance of such large quantities of dead fish on the sea bottom?

Hon. James Sinclair (Minister of Fisheries): Earlier in the week the skippers of several draggers operating along the north shore of New Brunswick and in the bay of Chaleur sent several specimens of dead herring to the department, which they found while dragging for cod and haddock. We are sending two scientists from St. Andrews to that area to conduct an investigation.

BUSINESS OF THE HOUSE

INQUIRY AS TO CALLING OF SUPPLY MOTION

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I should like to direct a question to the Minister of Finance in his capacity as house leader. When is it intended to call the next supply motion?

Hon. W. E. Harris (Minister of Finance): I have tried to set a pattern in the last few weeks of devoting Thursdays and Fridays to supply, and Mondays, Tuesdays and Wednesdays to legislation and supply motions when necessary. I had in mind that on Monday we would begin with some legislation that we would like to get out of the way, and then go on with a supply motion. If it happens to be reached on Monday it will be dealt with; but on Tuesday if not on Monday.

Mr. Drew: I think this is a matter in which the house has a special interest. The position of supply motions in regard to proceedings in the house is well recognized, and I submit that they should be heard first on any day they are to be called. I would ask the house leader to agree that if it is to come up

on Monday, the supply motion will be called first and not left in suspense to depend upon any uncertain debate that might follow the prior introduction of other measures.

Could we have an assurance from the minister in that regard? After all, we have reached a point in the session when it is not only proper but desirable that members know when debates arising on matters of that kind are going to come forward.

Mr. Harris: I have just said that upon the conclusion of certain legislation the supply motion would be reached. I do not suppose I can make it more definite than that. I should have announced the legislation last night, as has been my custom, but I have abandoned that custom a little since we got into supply. But I can give my hon. friend a list of those items I would like to have discussed first, and then take the supply motion.

Mr. Drew: I would point out that the minister is abandoning the long-established practice with regard to supply motions; and I submit that unless he is prepared to admit he is trying to juggle the business of the house in an unsatisfactory way, he should change his opinion.

Mr. St. Laurent: Mr. Speaker, do you not think that language is rather unparliamentary, under the circumstances? Juggling is something it is not our custom to do.

Mr. Drew: You have been juggling the business of the house all session.

Mr. Harris: Mr. Speaker, I rise on a question of privilege. I heard the Leader of the Opposition (Mr. Drew) say that, presumably I, had been juggling the business of parliament all session. Mr. Speaker, I assure you I can call plenty of witnesses in this house to show that I have accommodated the opposition more this session than they have ever been accommodated before.

Mr. Drew: What?

FLOODS

KIPLING DISTRICT, SASK.—REQUESTS FOR DRAINAGE OR DREDGING ASSISTANCE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the minister received any requests for drainage or dredging assistance or other representations in respect to flood damage to farm land in Kipling district, resulting from the Canadian National Railways line preventing normal drainage? If so, what has been the nature of those requests, and what action does the government intend to take in assuming responsibility?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, in reply to the question of the hon. member for Moose Mountain I should say that the minister has received no requests for drainage or dredging assistance, or other representations in respect of flood damage in the Kipling district. Not having received any such representations, I am unable to state the nature of the requests that may be made or the action that will be taken when they are received.

Mr. McCullough (Moose Mountain): Mr. Speaker, I should like to direct the question to the Minister of Agriculture, to whom I sent notice. Has his department received any requests in connection with the matter that I just referred to the Minister of Transport?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for having given me a copy of his question. In reply I would state that we would naturally not receive any requests in connection with drainage. All requests in connection with drainage in the provinces go to the provincial governments, and they are referred to the provincial government in Saskatchewan just as they are in any other province. The responsibility for drainage is with the provinces.

The provincial government representatives who were here called our attention to the fact that there are flood conditions in the Kipling area. They are included in the representations that were made to this government; but that is in accordance with the fact that it is a provincial responsibility.

AIR TRANSPORT

EDMONTON—REQUEST FOR INFORMATION ON ACCIDENT

On the orders of the day:

Mr. Ambrose Holowach (Edmonton East): I should like to direct a question to the Minister of Transport. Can the minister give any information to the house respecting the airplane tragedy which occurred at the municipal airport in Edmonton yesterday?

Hon. George C. Marler (Minister of Transport): The only information I can give is that an inquiry has been instituted in order to determine what were the causes of the accident.

CANADIAN NATIONAL RAILWAYS

PORT MANN, B.C.—STATEMENT AS TO LAY-OFFS

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Mr. Speaker, on Tuesday last the hon. member for Vancouver East (Mr. Winch) asked a question regarding the Port Mann shops, and at an earlier date the hon. member for New Westminster (Mr. Hahn) asked similar questions in connection with the same matter. I regret the delay in answering both of them.

The management of Canadian National Railways now advises as follows. Reduction in the personnel employed by the railway for repair and servicing of rolling stock is explained by the dieselization of motive power, the cumulative effect of improvement in design and construction, increased capacity of freight cars, improvement in repair methods and practices, and the acquisition of much new equipment. As a point for repair and servicing of locomotives and cars Port Mann has been affected by the efforts of the management to maintain a proper balance between rolling stock and repair expenses and the volume of traffic. In effecting this reduction in personnel the legitimate interest of each employee affected has been properly protected in accordance with the governing wage agreement, and discussions have been held with the representatives of the appropriate labour organizations.

PRIVILEGES AND ELECTIONS

INQUIRY RESPECTING STUDY OF REDISTRIBUTION BY COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the hon. member for Northumberland-Miramichi (Mr. McWilliam), in his capacity as chairman of the committee on privileges and elections. When is it intended to have the committee meet to deal with that part of its terms of reference which has to do with the studying of redistribution?

Mr. G. R. McWilliam (Northumberland-Miramichi): Mr. Speaker, I expect the committee will meet within a few days, after the steering committee is called together to decide on a date.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

POST OFFICE DEPARTMENT

334. Departmental administration, $1,546,388.

(*Translation*):

Mr. Dufresne: Mr. Chairman, when the

house adjourned last evening, I was dealing with the Post Office Department's plan to build a new post office building in the city of Quebec, at a place which I held to be unsuitable, for the very good reason that it was by no means in line with the recommendations of the town planning committee which had already set out a plan calling for the elimination of the block of buildings where the Post Office Department now intends to build. This plan would have had the effect of easing cross-town traffic conditions in Quebec city.

Mr. Chairman, there is no lack of suitable property for the construction of this building in Quebec city. In fact, does not the federal government own the property situate right by the one which has just been purchased and which, to my mind, would be a far more practical and adequate location for this new post office? Moreover, location on this site would not oppose the plans made by the town planning committee to improve traffic conditions in the lower part of Quebec city.

I would not like to be misunderstood in what I was saying yesterday. I was asking that the owners of these buildings, and more particularly those who live in any of these houses, be given sufficient time to move away.

This does not mean that I am opposed to the building of a new post office in Quebec city. On the contrary, I hope it will be built as soon as possible, and that it will serve to give some little work to the jobless, though it cannot be said, of course, that such a project is in itself sufficient to solve the very serious unemployment problem in Quebec city.

I do feel, however, that in all fairness the department should give sufficient notice to the present occupants of this property. This would only be in accordance with the law. Although I am not a lawyer, I have looked into the matter and I am told that whenever an eviction notice is served upon a tenant, at least 30 days' notice is required. In this case, barely three weeks' notice was given, probably in contravention of the law. As a matter of fact if these people are not out of their homes by Tuesday next, that is by May 31, they will be subject to prosecution.

I am therefore asking the government to reconsider this notice of eviction, and to give these owners of commercial premises, as well as those who occupy dwellings on this property, enough time to find new quarters.

(Text):

Can the Acting Postmaster General or the parliamentary assistant give us the assurance that this project of a new post office in Quebec city will be given more consideration as far as a site is concerned, so the recommendations of the town planning committee will be implemented? Can the Acting Postmaster General or the parliamentary assistant give us this assurance that more consideration will be given as far as the site is concerned? As I said a few minutes ago in French, the government owns another lot which is very near the one on which—

Mr. Pickersgill: Mr. Chairman, it is not necessary for the hon. gentleman to repeat to me in English what he has already said in French. I was listening to him.

Mr. Dufresne: I thought it would be useful.

Mr. Pickersgill: I can give no such assurance. It would be quite improper for me to do so. If on the estimates of the Minister of Public Works the hon. gentleman wishes to put his question to the minister who would select a site if such a building were to be built, I have no doubt he will receive an answer. But as I explained to the committee yesterday on two or three occasions, it is not within the purview of the Post Office Department to select these sites. We express certain views about them but we do not select them. That is the business of another department of government.

Mr. Dufresne: I believe the acting minister can also recommend. If he cannot give me that assurance, or if he cannot give me a definite answer, maybe if he asks the deputy minister he might be able to give this assurance right now. Nevertheless, Mr. Chairman—

(Translation):

Those were the few remarks I intended to make during the present debate and notwithstanding the various impertinent qualificatives which were attached to the speech I made last night and which I heard, I am perfectly at peace with myself since I am fully convinced that I fulfilled faithfully my duty in that respect. I was not elected to shower flattery upon the Liberal government when it acts contrary to the proper administration of a department and thus work against the interests of the country at large and in particular against those of the constituents which it is my privilege to represent.

(Text):

Mr. Pickersgill: Mr. Chairman, I wish to say about two sentences immediately about the first part of the speech delivered last evening by the hon. member for Quebec West. I think every other member of this house will regret the reflections made by the hon. member upon the competence and sense of responsibility of the Postmaster General, and made in his absence. We on this side of the house—and particularly those of us who are on the treasury benches—know perfectly well how conscientiously and how devotedly the Postmaster General attended to all the duties of his department.

Mr. Dufresne: That is exactly what I said.

Mr. Pickersgill: It was a totally unwarranted suggestion that the Postmaster General does not—

Mr. Dufresne: Mr. Chairman—

Mr. Pickersgill: —carry on his duties and exercise his ministerial functions himself. That is an unwarranted suggestion by any member of the House of Commons.

Mr. Dufresne: Mr. Chairman, on a question of privilege may I say that I do not think the minister has a right to attribute to me words that I have not used. He claims to say to this committee and to the Canadian people that the hon. member for Quebec West has chosen a time when the Postmaster General is not in the chamber in order to attack him. I want to ask the Acting Postmaster General to have a good look—and I only hope he can read—at what I said yesterday. If he does so he will find that I only said I had the greatest sympathy for the Postmaster General, who is obliged to work under such circumstances. I just said, Mr. Chairman, that I was sorry to see that the Postmaster General did not have the authority he was supposed to have in his own department, and that he only had to go by what the deputy minister was saying.

Mr. Pickersgill: Mr. Chairman, the hon. gentleman's words speak for themselves.

Mr. Dufresne: They certainly do.

Mr. Pickersgill: I have no intention of misrepresenting them or of interpreting them.

While I am on my feet I should like to say something about what was said yesterday by my hon. friend from Kootenay East and several other hon. members, because this is the only point raised so far that I intend to deal with. The others will be dealt with by the parliamentary assistant.

My hon. friend the Minister of Finance, my hon. friend the Secretary of State and I received a delegation this morning from the postal workers' brotherhood of Canada,

who made representations on the subject on which the hon. member for Kootenay East and several other hon. members spoke yesterday. We undertook to give those representations the most sympathetic consideration. At the same time we had a brief discussion about this question that was raised by two or three hon. members yesterday, regarding supervisory letter carriers. I understand that this delegation or certain members of it intend to have a discussion with the officials of the department with a view to ironing out any misunderstandings or difficulties that may exist in connection with the matter. We hope it will be worked out satisfactorily.

Mr. Dufresne: On a question of privilege, Mr. Chairman, may I say this so there will be no misunderstanding in this chamber, especially by the Acting Postmaster General who listened to my speech in French last night. I should like to read a few sentences of what I said—

Some hon. Members: Oh, oh.

Mr. Dufresne: —so he will be aware of it.

The Chairman: Order. I have already heard the question of privilege raised by the hon. member for Quebec West, and I think it has been adequately disposed of. I do not think I can hear further elaboration of the same question.

Mr. Regier: I rise on a question of privilege, Mr. Chairman. Did I understand the minister to say that we are unworthy members of parliament if we find fault with the actions of the deputy minister?

Mr. Pickersgill: No, sir, I said nothing of the kind.

(*Translation*):

Mr. Power (Quebec South): Mr. Chairman, I would like to say a word or two on the subject of the future post office in order to set in their true light the facts stated last night by my friend, the hon. member for Quebec West (Mr. Dufresne).

For about two or three years, with other members from my district, I have been doing my best to get the Post Office Department and the customs division to erect in Quebec buildings befitting that city and suitable for the work performed.

Looking around the main railway station in Quebec city, we can see the site mentioned by my friend, where a block of houses burned down two or three years ago. To visitors arriving in Quebec city at the main station, it presents a scene of destruction reminiscent of bomb-gutted cities of Europe.

About that time the city of Quebec homologated the buildings concerned, i.e., the owners were advised that sooner or later they would have to go and that any improvements they might make in the meantime to the buildings, etc., would not be taken into account in the assessment of the property, because the city of Quebec already had some plans with regard to that site. Because of this homologation, the Canadian government approached the authorities of the city of Quebec in order to ascertain if they were ready to allow the federal government to put up the building.

Negotiations were lengthy and finally, last summer, after I had obtained the Prime Minister's authorization and after the hon. member for Levis (Mr. Bourget) had received confirmation from the Minister of Public Works (Mr. Winters), we met with the authorities of the city of Quebec, including His Worship Wilfrid Hamel, the city engineer and other officials, and we agreed that the government would release certain lots for the broadening of St. Paul street, and would, for its part—

Mr. Dufresne: Would the hon. member allow me to ask a question? Where are the certain lots he is talking about?

Mr. Power (Quebec South): On St. Paul street.

Mr. Dufresne: On St. Paul street, in Quebec city?

Mr. Power (Quebec South): Precisely, and that the city, for its part, would close off Marquette street, so that adjoining properties which belong to the federal government, as they are C.N.R. property, would also be included in the expropriated land or in the land which will be taken over by the federal government. The negotiations were friendly, and an agreement was finally reached but, for some reasons—

Mr. Dufresne: May I ask another question? When those discussions were held between the representatives of the federal government and of the city of Quebec, were the members of the town planning committee, which already had a project on hand, invited too?

Mr. Power (Quebec South): My answer will be quite short. The federal government does not have to do business with local committees, not with the town planning committee any more than with the garbage collection committee or the roads committee. Constitution-

ally speaking, we have to deal with the authorities representing the voters of Quebec city, that is the mayor of Quebec, Mr. Hamel, and the aldermen.

We came to an agreement with the mayor and his engineer. Negotiations were discontinued, probably because of the obstacles set in the way of the agreement by people who support the opinion of my hon. friend. Finally, in January 1955, the Minister of Public Works received the following letter, a copy of which I shall now read:

(Text):

Honourable Robert H. Winters,
Minister of Public Works,
Ottawa.

Honourable Sir:

I acknowledge receipt of your letter of January 18 concerning the land required by the federal government as the site for the extension of the new post office at Quebec city.

After perusal of your letter I am glad that all the persons concerned have now reached an understanding and will maintain the agreement concluded in my office when Mr. Maurice Bourget, member for Levis, the Hon. C. G. Power and Messrs. Drolet and Gardner—

They are officers of the department.

—discussed this matter with me as explained in my letter of December 28, 1954.

(Translation):

Therefore, as far as the federal government is concerned, he had the approval of—

(Text):

Mr. Dufresne: The letter is signed by whom?

Mr. Power (Quebec South): Wilfrid Hamel, mayor of Quebec City. In so far as the federal government are concerned, they did business with the constituted authorities of the city of Quebec, not with any committees set up either by the council or anybody else. The city council apparently has approved of the action of the mayor; therefore the federal government has proceeded with the expropriation of the property.

I come to another subject raised by my hon. friend, and rightly, namely the brevity of time given in the notice to evacuate.

(Translation):

In that connection, I received a letter from my electors telling me that they were shocked that such a short notice should have been served. On that score, my hon. friend may be right. However, I would point out to this committee that for the last two or three years these people were subject to be notified at any time to vacate the premises. I then got in touch with government authorities here, that is with the minister, his parliamentary assistant and the chief architect, after which I sent this answer to the people who had written me:

Brousseau & Frères Ltée,
320-324 St. Paul street,
Quebec, Que.

Gentlemen:

I acknowledge receipt of your letter of May 9 in which you had enclosed a petition signed by the landlords and tenants of the premises expropriated by the Department of Public Works, for the building of a post office, on Henderson, St. Paul and Ramsay streets.

I must tell you that I am urging the Department of Public Works to proceed with the projected works as soon as possible. After conferring with the department officials I find that if the conclusions of your investigations were taken into favourable consideration, . . .

May I say here, by the way, that those gentlemen had been asking to be allowed six months before moving out.

. . . the work on the post office requested by the workers of the city of Quebec, as well as by their representatives, would be delayed for at least a year.

I am informed that the preliminary steps to be taken, such as the transfer of the vacated properties to the Crown Assets Disposal Corporation, the calling of tenders for pulling down those buildings by that corporation, preliminary soundings, etc., that are needed before laying the foundations, the calling for tenders for the erection of the building, required under the federal statutes, may very well take several months. Under those circumstances, it is essential that the premises be vacated as soon as possible.

I am nevertheless asking the department to extend the time-limits mentioned in the notice to vacate received by you for a period of time which, frankly, is bound to be short, and always so as not to delay the carrying out of the project.

Following this letter and my representations to the hon. Minister of Public Works, the latter agreed yesterday to extend the time-limit until the end of June. If the work is to start in October or November in Quebec, it is essential that the lots be vacated by June 30 at the latest.

That is the position. At least, that is how I understand it, and I am explaining it to my hon. friend.

(Text):

Mr. Michener: I have a more or less minor matter to raise, Mr. Chairman, and I do so with some temerity for fear anything one says might be taken as criticism of the minister responsible for this department or of the government, recalling the asperity with which the acting minister rose a few minutes ago. However, I shall risk that and refer to the problem of the speedy and correct delivery of letters.

Before doing that, I have a word of commendation which I should like to express to

the Postmaster General's department for considering the problem of delivering mail on a business delivery basis on Avenue road north. There has been a change here from a residential to a business district. I believe delivery changes have been promised which will supply the business houses there with mail at a reasonably early hour in the morning instead of at two o'clock in the afternoon, which is perhaps sufficient for residential people but which does not permit the proper handling of correspondence in a business establishment.

One appreciates that there will be mistakes and delays in the delivery of mail at all times. There are a great many instances which come to the attention of members, and perhaps it is appropriate at this time to draw attention to one mistake which appears to have been avoidable. I do so just by way of keeping the minister and his associates on the job to see that deliveries are made as quickly, as well and with as few mistakes as possible.

The instance I have in mind is of a letter which was sent by trans-Atlantic air mail, addressed to 1525 Closse street, apartment 1, Montreal, P.Q., Canada. This letter was returned to the sender in London stamped, "Undelivered for the reason stated; returned to sender". Then there is an indistinct stamp saying "Place of destination required". I always thought Montreal was a place of destination. I would have thought any postal clerk would have regarded Montreal as a place of destination. In any event the letter was returned to the sender, put in an air mail envelope, addressed in the same way and delivered promptly to the party for whom it was intended. That is perhaps an extreme case, but that is an instance where there was no excuse for failure, which anyone recognizes must occur from time to time.

I should like to draw to the attention of the acting minister one or two things I can perhaps state at this time and which he can answer at his leisure, because I appreciate they may involve some research. The questions are as follows: What firm has the contract at present for the printing of Canadian postage stamps? How long has that firm enjoyed the contract? When were tenders last called for the letting of such contracts? Finally, what other Canadian firms are there capable of performing this service?

Mr. Pouliot: I have just a word to say, Mr. Chairman, about the speech delivered last night by the hon. member for Quebec West. If he puts the deputy postmaster general in the same category as all the great Canadians whom he has attacked with such acrimony, he pays him a signal tribute.

Mr. Kirk (Shelburne-Yarmouth-Clare): I wonder if it might not make the debate more orderly if I were to take a few moments now to answer some of the queries put forward last night. Perhaps it would save some hon. member from asking the same questions. First may I, on behalf of the Postmaster General, extend thanks to hon. members for their sympathetic and courteous comments regarding his health. May I say also that I, too, look forward most eagerly to his early return.

Many suggestions were made by the various speakers, all of which will be given serious consideration; and where it is found that action can reasonably be taken in the interests of the public service, this will be done. May I take just a few moments to refer briefly to a few of the matters on which I am able to comment at the moment.

The hon. member for Three Rivers referred to the service to suburban areas around the large cities. I am advised it is not always practical to give letter carrier service immediately because many of the necessary conditions may not have been met. In many cases the department has taken care of this problem in the suburban areas by the installation of group boxes, which will provide for the postal needs of these areas until such time as the various requirements for letter carrier delivery have been met.

The hon. member for Burnaby-Coquitlam suggested that something should be done about the rather rapid turnover of employees in the Post Office Department. Not long after he spoke someone brought to my attention an article appearing in the May issue of the magazine *Personnel*. This article states that the average turnover for shop trades is 13·8 per cent; for non-professional clerical and administrative staff, 14·4 per cent; and in what is termed as sub-professional staff, 32 per cent. In the Post Office Department, other than retirement, we have an annual turnover of only 4·3 per cent for permanent employees and 15 per cent for temporary employees. Thus I do not feel that the Post Office Department has a very large turnover in comparison with industry and business generally.

The hon. member also made representations on behalf of the postmaster at Port Moody, in connection with the disappearance of $500 of post office funds. All I can say here is that the department must take disciplinary action where a postal official fails to protect public funds.

The hon. member for New Westminster dealt with the question of mail couriers. In

his particular riding the situation is rather difficult because of the heavy population. The services are, however, advertised and tenders are submitted. Payment is made in accordance with the contract. If any particular contractor has had an unusual development in his area the department of course is always willing to renegotiate. My hon. friend referred to some rural mail couriers who work as much as 16 hours daily. If he will be kind enough to submit the particular case or cases where a man or men are working 16 hours per day I can assure him we shall be only too glad to make inquiries. This would seem to indicate that these particular routes should be divided.

He referred also to letter carriers doing work for which they received no pay, that is doing work as he called it in extra or spare time. In computing the time of the letter carrier the department not only takes into account the time he takes in serving his route, but also the time taken to prepare and handle his mail in the office.

My hon. friend also refers to the handling of certain items by the carriers in New Westminster. In this connection I would point out that carriers are not required to handle any parcel or book which weighs two pounds or more and that, further, their bundles are taken out for them and delivered at points on their route. As a matter of fact there is an average of over four relay boxes per letter carrier route in New Westminster, a rate that is higher than in most other cities in Canada. If any carrier considers that his walk is overly heavy or onerous, or he is unable properly to perform his duty within 40 hours a week, he may always make representations to his postmaster and the matter will be studied.

My hon. friend also referred to the periodical checks of letter carrier routes and indicated that these checks take place in July. I am informed that these checks take place twice yearly, one in the month of March and one in the month of August, so as to get an equitable picture. Again, if any letter carrier feels that his route is too onerous he may appeal to his postmaster and have the case investigated.

There was one reference I could not understand, and that was to letter carriers being "docked" $20 per month for clothing. I am sure my hon. friend would want me to correct him on that point. Uniforms are supplied to the letter carriers, without any cost to them. As a matter of fact, in addition to the uniforms they are given a cash allowance each year to enable them to provide suitable boots.

[Mr. Kirk (Shelburne-Yarmouth-Clare).]

As I understood the remarks of the hon. member for Vancouver East, there were two points at issue; (1) the receipt of magazines which he did not order, and (2) requests from the agents of the publishers for the payment of an amount relating to these magazines.

In regard to the first point, all my hon. friend, or any person who finds himself in a similar position, has to do is to mark the newspaper or magazine "refused" and hand it back to the post office. The post office will then return it to the publisher; and if after the first notification additional copies are received, these will also be returned and postage collected from the publisher in each individual case.

As regards the correspondence between my hon. friend and the publishers, this is a personal matter. The Post Office Department does not censor any mail and therefore does not know the contents of letters travelling between the senders and the addressees. Of course that being so, it is obvious that no action can be taken by the department unless a complaint is made and the supporting information given. At this time may I thank the hon. member for Nicolet-Yamaska for his comments concerning the decision in the Quebec courts, to the effect that a contract cannot be a unilateral proposition.

In regard to my hon. friend from Kootenay West, the point he raises has been dealt with in my remarks to the hon. member for New Westminster.

In reply to the representations made by my hon. friend from Kootenay East, I would point out that there are two classes of postal clerks, grade 1 and grade 2. Some of the positions in the smaller offices are classified as grade 1, on the ground that the postal knowledge required in these centres is not as involved and complex as in the larger cities. I understand that following a recent convention the employees' association is making representations in this connection, and the matter will be given due consideration when these representations are studied, after having been received.

Then the hon. member for Notre Dame de Grace made reference to the estimate of additional revenue in connection with the 5-cent postage. We estimated at the time that we should break even for the fiscal year 1954-55. I stated yesterday that we have what I called an apparent surplus of approximately $5 million, accounted for mainly by the following:

1. There has been an increase in volume which was not anticipated a year ago.

2. Certain accounts for items supplied in 1954-55 will not be paid until the fiscal year 1955-56, and

3. As he intimated, by efficient operation and careful arrangement of the service, the department has been able to effect financial savings.

In regard to the question of annual leave for letter carriers, I would say that the Acting Postmaster General made reference to that matter a few moments ago.

Then reference was made to the savings which could be effected by the discontinuance of the post office savings bank. While the annual cost to the department is estimated at $377,000, this amount could not all be saved if the savings bank was discontinued, because in this amount is a proportion of the salaries of operating employees and a proportion of the cost of buildings and equipment. The actual headquarters cost is in the neighbourhood of $150,000. I think in considering this matter one should give consideration to the following points:

1. There are many Canadian citizens who prefer the post office savings bank to the chartered banks.

2. That by having a post office savings bank we are able to give banking facilities to military camps and certain remote areas.

3. That the savings bank provides the government of Canada with approximately $40 million at a low rate of interest.

With regard to my hon. friend's suggestion in regard to twice-a-day delivery for only five days a week, there are two points which came to my mind. One, it is not possible to give ten deliveries for the same cost as six. Appreciable additional expenditure would therefore be involved. Secondly, I doubt very much whether the public would welcome their mail being held from Friday afternoon until Monday morning and even Tuesday morning, when Monday happens to be a statutory holiday. There is also the possibility, may I say the probability, of congestion in the post office, as well as the inordinate amount of mail which the letter carriers would consequently have to handle on Monday mornings.

My hon. friend referred to his question being changed to an order for a return, and also to the time it has taken to give the information for which he asked. Had his question simply related to the date, the place and the amount of the loss it would have been a very simple question to answer, but he also asked whether court action had been instituted against specific individuals, and what was the result of such action, if any, in each case. This obviously necessitated a check of each file and in some cases the obtaining of information from the district offices as to the action which had taken place. The information has been obtained and, as hon. members know, the return was tabled this afternoon.

If my hon. friend is interested in the activities of the department from the standpoint of offences, prosecutions and results, may I refer him to page 5 of the Postmaster General's report for the year ended March 31, 1954, which was tabled early in January of this year.

The hon. member for Selkirk brought up the matter of mail delivery. We appreciate the difficult situation in which the people in the Norway House area find themselves from the standpoint of mail service, particularly during the break-up and freeze-up periods. The matter is being reviewed, and I can assure my hon. friend that it will have careful consideration.

He also made reference to 1½ cent stamps. There is no such thing as a 1½ cent stamp, but there is a bulk rate of 1½ cents per item in connection with "householder" mail. The postage of these items is paid in bulk on the total number of items. This rate is given when the items are not individually addressed and which are therefore delivered much cheaper than is the case when an individual item must be delivered to a specific individual address. This service is available to all patrons who wish to have it.

The hon. member for Middlesex East showed his interest in the department by referring to the transportation of mail by means of highway post offices. This method of transportation has been adopted in many instances in the United States. It is more suitable to their method of operating, on account of the heavy volume of mails carried. However, the department has been watching this development with interest for some time. As a matter of fact some of our inspectors have travelled on the highway post offices in the United States, and I can assure my hon. friend that when the time arrives that this type of equipment can be used with advantage to the service, and from the standpoint of economy, further consideration will be given to the utilization of this and similar equipment.

May I thank the hon. member for Danforth for his complimentary remarks in regard to the postal service, and at the same time would mention that most of the figures he was quoting related to the fiscal year 1953-54, whereas in my opening comments yesterday I related my figures to the fiscal year 1954-55. I should also like to point out to him that the report for the fiscal year 1953-54 was tabled in January of this year.

I think, Mr. Chairman, I have covered in a general way the comments and suggestions

made by the various hon. members who have taken part in this discussion.

Any individual cases which I have been unable to touch upon will be given the benefit of detailed study. With regard to the questions of the hon. member for St. Paul's, I wonder whether he would be good enough to send us the two covers to which he referred. I cannot give him full details regarding his question about the contract for postage stamps, but I can tell him that they are printed by the Canadian Bank Note Company; that the Minister of Finance calls for tenders, and that I think the contract is generally for a term of four years. The last tenders were called for some three years ago.

Mr. Bryce: May I ask the parliamentary assistant one question. Is the Post Office Department making representations or recommendations to the Department of Public Works to provide a new post office in Selkirk?

Mr. Kirk (Shelburne-Yarmouth-Clare): This is one of these specific questions with respect to which in the time between ten o'clock last night and a quarter to four this afternoon I have not yet had an opportunity to study the file.

Mr. Bryce: I do not blame the parliamentary assistant in any way, but the department has been asked for it for four years.

Mr. Kirk (Shelburne-Yarmouth-Clare): I say I have not had a chance to look at the file. If the hon. member will give me until next week, after I return from Manitoba, I shall certainly have a look at it.

Mr. Hahn: With respect to the question I raised relative to the hours of labour that are put in by some of these mail couriers, if the parliamentary assistant will turn to page 4134 of *Hansard* of yesterday he will see that I was referring to the holiday season only, not to the full year. This is the time these men require additional help in the sortation of mail.

Mr. Kirk (Shelburne-Yarmouth-Clare): Thank you.

Mr. Henry: Mr. Chairman, at this time I should like to make a few remarks about the postal service in Toronto-Rosedale. I think it is important to demonstrate at the outset that the representations have come to me and have been made in a community service and non-partisan spirit. The area concerned is the Yonge-Bay-Bloor district of Toronto, and the representations are those of the businessmen's association of the area.

It so happened that during the Christmas season of 1954 they held one of their regular luncheon meetings, and I was pleased to be a guest. The subject under discussion at this meeting was "Christmas as applied to every day of the year". The very eminent speaker was Rev. Dr. Cecil Swanson, rector of St. Paul's church, which is within the district. The guests at the head table were diversified and representative of the community. In this atmosphere the men of the community raised their postal problems. I am not asking the Acting Postmaster General to approach their problems as Santa Claus would, but rather in accordance with the spirit of the talk, in which we were asked to apply patience and prudence. The aim is that all concerned may receive satisfaction, which I know can be forthcoming.

The basic problem of the postal service in Rosedale has been one which the businessmen have approached with great patience in the past. For many years, at the intersection of St. Clair and Yonge streets, owing to the depressed conditions of the 1930's and the labour and material shortages of the wartime period, there was a shortage of space and appropriate facilities. However in due time—I must say, without any particular representations from me as the elected member—notably in the year 1949, a great improvement was made. Then during the period of the last parliament a $3 million office building was erected in that district, which provides expanded and improved postal facilities.

I emphasize that this was done by the department in its good judgment on the basis of need, after patience and restraint on the part of the community. Postal service in the immediate vicinity of that part of Yonge street is much better, and I thank the Postmaster General and particularly the deputy postmaster general for what has been done there, because it is indeed much appreciated.

I must also report that in the Yonge-Bay-Bloor area we have postal station F, which is capable of handling perhaps the largest volume of mail in the Toronto region so far as branch stations are concerned.

This is what has been going on in the last number of years. But, Mr. Chairman, this section has now become something quite different from what it was before the war. It is now the uptown crossroads of metropolitan Toronto. It is also the uptown hub of the financial offices in so far as many large corporations are concerned. In addition, as the result of much public pressure it has become a redevelopment area for mid-town apartment dwellers. Here we have a condition of expansion in mid-century, within the twentieth century; and the postal service, like everything else, has had growing pains.

Previous to the beginning of the year, let us say, merchants in great numbers were picking up their own mail, and delivery was slower than necessary. There was also a shortage of staff and space because of the great expansion that has occurred. I do believe the deputy postmaster general has dealt with the matter on a short-time basis in a very sympathetic and satisfactory way, for the present. He was very quick to see, in the light of the report on the Toronto problem, that more staff and space were necessary. These were forthcoming, and in time I believe they will produce a great improvement there in so far as postal service is concerned. We believe that given time, with the new rental space, much will be provided that will be good for all concerned. In addition there will be more letter carriers on the walks to provide better service to merchants receiving their mail.

However, I would say this; that the split premises, one permanent and the other rental premises newly acquired, are not now large enough. These split premises cannot make for the best possible service in this important shopping and business area. I do think we have to look for something better. While the businessmen concerned are restrained in their representations, I know they feel the time has come when the department should think about one consolidated building for all postal services in this area.

We all realize that it is the function of the Department of Public Works to make this consolidation and on these estimates I do not want to go into detail as to that matter. However, I would point out that Rosedale was neglected with respect to its public facilities during the 1930's because of depressed conditions. In the 1940's it was restricted because of wartime conditions and the aftermath thereof. We now think that progress toward a new building is most important in this all-important area.

I ask the Acting Postmaster General to exercise his qualities of action which have been so apparent in the past in this department. We do not forget that when he took over as Acting Postmaster General in the fall of last year, action was taken to provide this department with more revenue, and with this extra revenue has come the means of helping to stabilize labour conditions within the department, as well as other matters of importance to the public. Before he ceases to function as Acting Postmaster General he might consider with the worthy deputy making a recommendation about the situation of which I am speaking, in terms of public works. I have always found the Minister of Public Works co-operative.

Mr. Pickersgill: Mr. Chairman, I interrupted several hon. gentlemen on the other side when they were discussing the estimates of the Department of Public Works, and I do not think my hon. friend from Rosedale will feel that I am being unfair when I suggest that perhaps he too is going a little far.

Mr. Henry: Mr. Chairman, I have tried to keep myself within the framework of the Post Office Department with regard to the recommendations the minister can make. I shall just accept "in a kindly way" the suggestion that I go no further with those remarks, but if the minister has trouble in convincing his colleague I would be willing to take a hand. In the past I have found him very helpful.

Just as we have solved the postal problems at St. Clair and Yonge streets, I hope ultimately we will have a better solution for the area of postal station F.

In conclusion I wish to pay a tribute to the businessmen particularly for their spirit of co-operation. Above all I wish to pay a tribute to the officials of the department, and in particular to the Postmaster General. It is my good fortune to have known them all for many years, and I have listened to some criticisms in this debate with disgust. I pay tribute to them as worthy public servants who have discharged their duties with all possible responsibility in the circumstances. With this I conclude my remarks.

Mr. Green: Before the item carries I should like to ask the acting minister or the parliamentary assistant to explain to the members under what authority the Post Office Department is cutting down the holidays of postmen because they are late for work. As the minister knows, this question has come to a head in Vancouver within the last week, because there has been a meeting there of the executive of the Canadian postal employees' association. According to press dispatches the executive of that association took the position unanimously that the department had no authority whatever to impose penalties of this kind.

I understand that under the provision if a postman is more than three hours late over the whole of the year he loses one day of his vacation. For being late a total of three to five hours during the whole year he loses one and a half days, and he loses another half day for each additional two hours.

I have never heard of penalties of this kind being imposed by any other department of

the government. The officials of this association claim that the penalties are much too severe. For example, one report states:

> CPEA officers here feel the lateness penalties are too drastic and "there's no reason" why milder penalties, such as fines or pay deductions, can't be imposed.

It seems to me to be going rather far for the Post Office Department to set up a rule of this kind. Surely it is not necessary to take drastic steps of that nature. These men are engaged in work which is very hard, and the men who deliver the mail are out in all kinds of weather. Cutting down their holidays in this manner is a good deal like the treatment that might be handed out to a child. It does not fit in with the conduct of government business. These officers claim that the civil service commission sets the holidays and that the postal department has no right to interfere with them. I would appreciate very much having an explanation from either the acting minister or the parliamentary assistant.

Mr. Kirk (Shelburne-Yarmouth-Clare): I do not have it in front of me, but I believe there is a section of the Civil Service Act which permits departments to impose disciplinary penalties when necessary. I understand that some departments impose fines and others impose penalties of loss of vacation, to use the hon. member's term. As far as the department is concerned we have received a great many complimentary comments from our own employees, most of whom are punctual. They have felt that over a period of years they were being penalized because those who were late were, as we say, getting away with it. With that idea in mind a schedule was drawn up. I do not have the schedule in front of me, but I do believe the details as given in the newspaper are quite accurate. There is a three-hour leeway. We allow lateness up to three hours for which there is no penalty. After that—

Mr. Green: Three hours in the year?

Mr. Kirk (Shelburne-Yarmouth-Clare): Yes. But, of course, at the same time consideration is given to whether a person is held up because of an unexpected storm, or the breaking down of a bus, or something of that kind. Every possible reason for lateness is taken into consideration. These penalties apply to the people who persist in being late. We feel that in fairness to the other employees some disciplinary measure should be taken, and in fairness to the public whom we are trying to serve we feel our employees must be on time.

Mr. Green: Under what section of the Civil Service Act is this power given to reduce holiday time?

Mr. Kirk (Shelburne-Yarmouth-Clare): As I mentioned, I have not the Civil Service Act in front of me, but I shall find the particular section and send it to the hon. member.

Mr. Green: What other departments of government impose penalties of this nature?

Mr. Pickersgill: Perhaps that is a question that is a little unfair to put to the parliamentary assistant. I believe every department of government has some sort of regulations; certainly mine has. As far as I know they have never come up in the house, but I have had occasion to inquire about their details. One has to recognize that in running any big organization where punctuality is essential to the service of the public the great majority of the employees who are punctual would be unfairly discriminated against if there were not some penalty against that very small minority who are slack. As the parliamentary assistant has said, allowance is always made for legitimate reasons, and in addition there is a three-hour leeway.

Mr. Rowe: For the year?

Mr. Pickersgill: For the year. It may be that the exact regulations of this department are not quite what they should be, I do not know, but we shall certainly look into that. The principle of the thing is that there must be some form of discipline, and I am sure the hon. gentleman who represents Esquimalt-Saanich would not disagree with the view that there must be some disciplinary regulations that will keep the employees up to scratch when they are serving the people.

Mr. Green: I am not questioning the propriety of having penalties. What I am questioning is penalties in the nature of cutting down a man's holidays. I should like to know what other departments of government impose penalties of that kind.

Mr. Pickersgill: I shall be glad to make inquiries.

Mr. Green: Are there any other departments which do?

Mr. Pickersgill: I could not answer offhand.

Mr. Green: Could the minister let us have that information before the estimates are finished?

Mr. Pickersgill: I am afraid it would probably take me several days to get it. I should be glad to undertake to give it to the hon. gentleman and put it on the record, if he should wish that to be done.

Mr. Green: Is this subject being given any further consideration by the department at the present time?

Mr. Pickersgill: Yes.

Mr. McCullough (Moose Mountain): Mr. Chairman, I want to express my personal regret that the Postmaster General is in ill health and unable to be here in the House of Commons. I think everyone who got to know him last year will agree with me when I say that he accommodated the house and was in every way a gentleman in this chamber. I regret that any hon. member, in any remarks he has made, has seen fit to indicate any reflection on him.

However, I do not think the Minister of Citizenship and Immigration needs to come to his rescue. I might just say that I think it might well be that the Postmaster General's ill health is partly due to the fact that he had an extremely difficult initiation as Postmaster General. I believe it seemed unfortunate to the house last year that right after the election, when we had the promise of cuts in taxation, the first thing the new Postmaster General had to face was a program by the Post Office Department to increase postage rates in Canada. Of course the result was that when he tried to pilot his estimates through the committee of supply there was a barrage of criticism from those who were opposed to such an increase in the taxation of our people. I think that situation to some extent could have some bearing on the health of our genial friend the Postmaster General.

There are some matters I wish to bring to the attention of the committee. First, I am happy to note that according to the statement of the parliamentary assistant yesterday our post office revenue is again showing a surplus to the extent of 17 per cent, having increased in the past fiscal year to approximately $151 million as compared with $129 million in the previous year. I might state that according to the report of the Postmaster General for the year ended March 31, 1954, there were only three occasions in the last 20 years when our Post Office Department showed a deficit. Those years were 1939, again in 1951 and in 1954, when there was a deficit of $2,474,000.

I think the parliamentary assistant has stated that the revenue return last year has resulted in a surplus to the extent of approximately $7½ million. I am glad to hear this. I hope not only will there be economies in the department, but also that the services we have had in the past will be kept up to a high level.

In this regard I want to extend my congratulations to the people in the Post Office Department far and wide. I come from a rural area where we have rural mail couriers. I know of no people who give finer service to the public and who show greater fidelity to their responsibilities. I think the old saying that the King's mail—now the Queen's mail—must go through is taken to heart by our rural mail couriers throughout the service. Perhaps that is a policy carried out by all those in the employ of the Post Office Department. In saying that I do not mean for one moment to say that everything in this far-flung public department is as good as it should be. I think the department should at all times try to give better service, and at the same time should try to cut any unnecessary expenditures.

There are one or two things I should like to point out. First, I am wondering whether some of the $7½ million of surplus is perhaps the result of economies which mean curtailment of the service to our people. I have here the report of the Postmaster General dated March 31, 1954. I might say it is regrettable that while this report was tabled in the house on January 10, 1955, it was only today that I was able to get a copy of it. I was told the reason was that more copies were not in print, and I had to get one from the sessional papers office. That situation is rather regrettable, in view of the fact that it is for the year 1954. I think the fact that copies have not been distributed to the members of the house is an unfortunate circumstance.

This report states that in the last year—that is in 1954—there was a decrease of 57 in the number of post offices in Canada. I should like to know the reason for the closing of those post offices. Was it simply because the revenue return was so low, or was it because they were in neighbourhoods where they were no longer giving service to the people?

I do not agree with the statement by the hon. member for Notre Dame de Grace yesterday, when he was asking the government to discontinue the service or operations of the post office savings bank. Too often, I think, we have coming from that corner of the chamber certain suggestions with regard to economies without any indication of how they may reflect on the service to our people.

Taking the figures from the report of the Postmaster General for 1954, I see that there has been an increase in the use of this facility of the Post Office Department. As an example, for the fiscal year 1945 the balance on deposit, in round figures, was $28 million, but by 1954 it had increased to $39 million.

Again, we find that in 1945 the number of accounts was 222,250, whereas by 1954 the number had increased to 291,602. I think that fact shows that the people of Canada are making use of this service. I suggest to the parliamentary assistant that he do not take too seriously the criticism of the hon. member for Notre Dame de Grace, but that he see that this service to our people is continued.

I want to bring another matter to the attention of the parliamentary assistant. It has to do with the names of certain post offices. In my own constituency of Moose Mountain, as listed in the report of the Postmaster General for 1952, there is listed the name Fairlight Station and again Kipling Station. Kipling used to be in my constituency. It is now in Qu'Appelle. I think those stations must have been named away back in the days of the early growth of the province. They are now fairly large villages, and since none of the mail going to these post offices is indicated as being for Fairlight Station or Kipling Station I suggest that the next post office directory merely list them as Fairlight and Kipling.

While I am talking about post offices I want to bring to the attention of the parliamentary assistant the need for post office accommodation to carry out the work of the department in Kipling. Last year I brought to the attention of the department and also the Minister of Public Works the fact that the people of Kipling have needed a post office for a long time, and have been promised one ever since 1952, prior to the election. I want to read a few words from page 3968 of *Hansard* of April 9, 1954. At that time I was inquiring of the Minister of Public Works whether or not something was going to be done about the construction of a post office at Kipling, and he answered me by saying, "You are going to get it."

I suggest to the parliamentary assistant that he talk to the Minister of Public Works and do something about that matter this year. I notice that in the estimates there is again an item of $25,000. I suggest that the parliamentary assistant do his level best to have restored the appropriation of $75,000 which was in the 1952 estimates, and that construction be commenced immediately on that post office.

There is one other matter I wish to raise having to do with post office facilities at Estevan, a growing town right in the centre of my constituency which may well be the hub of a great industrial area. Oil and natural gas are being discovered, and there are the coal fields and many other activities. The customs office is also in the present building, and of course it has become completely inadequate for the work that has to be carried on. I would ask the parliamentary assistant to see if he can get a vote in the near future so we can have a building which will be a credit to the department and will accommodate not only the customs department but also the Post Office Department.

I have nothing else to say, other than that I am very happy to have the opportunity to express my appreciation of the work of the employees of the Post Office Department. Wherever I have had occasion to deal with them they have been courteous. They have carried out their work with great fidelity to duty, and I think we can be proud of them.

(Translation):

Mr. Brisson: Mr. Chairman, during this session I have had occasion to ask the parliamentary assistant to the Postmaster General (Mr. Kirk) whether his department was planning to improve the summer and winter mail service east of Baie Comeau.

A month later, answering a question I had put to him, the parliamentary assistant gave me the welcome news that the Post Office Department, with the co-operation of the Clarke Steamship Company, had organized a more frequent service for the district stretching from Baie Comeau to Havre St. Pierre.

In this way, for the past month, the Seven Islands area has been enjoying mail delivery service six days per week. I thank the department for this improvement and feel confident that I am expressing the wish of every one of my constituents in expressing my most sincere thanks to the authorities for granting my request.

The second part of my request had to do with improved winter service. This will hardly be news to anyone, since the chamber of commerce of Seven Islands has made it known to everyone in Canada, especially in the province of Quebec, that the Seven Islands area and the eastern part of my riding was limited, in the case of third and fourth class matter, to a fortnightly delivery by the *North Gaspe* of the Clarke Steamship Company.

I would therefore draw the hon. Postmaster General's attention to this anomaly which should be corrected without delay on account of the importance that the Saguenay constituency has acquired in our country. In fact, the population of the town of Seven Islands, which numbered only 1,200 people in 1950, now has 5,000 inhabitants, not including the floating population. Moreover, the department must not forget the importance

of the titanium mines at Havre St. Pierre, and Natashquan, where the extraction of ironsand is to start this summer. To point out the development of this part of my county more accurately, I need only add that several companies are engaged in lumbering operations and that its total population amounts to about 25,000 residents.

Now, I think it is normal for the Post Office Department to allow that section of my county an adequate mail delivery, because this is perhaps its only means of communication with the civilized areas, as there are neither roads nor railways there.

I would therefore ask the minister to do his utmost to grant that population air transport of all classes of mail, as from next winter.

Mr. Pickersgill: Mr. Chairman, I have a vivid fellow feeling for the hon. member. His county is near Newfoundland, where similar conditions prevail. The department will consider this request without delay.

(*Text*):

Mr. Holowach: Mr. Chairman, I should like to say a few words on the first item of the estimates of the Post Office Department in order to bring to the attention of the responsible authorities a matter to which I have referred both in this and the last session of parliament. I wish to be fair. I think all hon. members will agree that the Post Office Department is a remarkable organization. I wish it were possible for me to be a little more complimentary, but unfortunately I cannot be so at this moment. However, I assure the postal authorities that I look forward to the time when I may be able to rise and throw a bouquet in their direction for having responded to the needs of the people of the town of Beverly, Alberta.

We in parliament receive the demands and requests of the people of Canada. It is our responsibility to give careful consideration to them, and on the basis of their merit and propriety we take action in order to meet those demands. In the case of the town of Beverly it seems to me that the requests of the people for consideration in the matter of expanded postal facilities have not been met. The story is long, but briefly it involves a fast growing community of some 4,500 people who at the present time have a little shack for a post office which has some 160 square feet of lobby space.

It is quite obvious that this is inadequate for a community with the rapid growth of Beverly, Alberta. The people there are very displeased and in some quarters quite angry. I brought up this matter during the speech from the throne debate last year and nothing happened. I brought it up again on the estimates of the Post Office Department at the last session of parliament, and again nothing happened. To be quite accurate, I did receive a letter from the Postmaster General informing me that the matter would be investigated. It does seem to take some time. In the meanwhile the people of Beverly, Alberta, are waiting patiently.

As I mentioned before, the people of that constituency are displeased. I am sure if one of the responsible officials of the department paid a visit to that community he would determine that my representations have been very mild. As a matter of fact if one of the officials went there I would suggest he go incognito. Perhaps he could wear a pair of those sunglasses that have a guarantee to the effect that even your best friend will not recognize you. I am sure whoever went would come back and make a firm recommendation to the public works department that something be done to alleviate that situation.

I mention in passing that comment has been made, I suppose by unscrupulous people, that the reason the community has not received these necessary facilities is that they voted the way they did. Of course I do not believe there is anything in that. The people insist that they voted right, and they would like to have that post office or extended facilities without having to pay the price of voting wrongly. I feel it is only proper that an investigation be made of the situation and steps taken to correct it. As I mentioned before, the people are patient and so am I, and I trust our patience will be rewarded shortly.

Mr. Hamilton (Notre Dame de Grace): Before we conclude discussion of the first item of the estimates, Mr. Chairman, I should like to make one or two further observations, in part adding to what I said yesterday and in part motivated by what seem to me the very unsatisfactory answers given by the Acting Postmaster General and the parliamentary assistant this afternoon.

When I was a youngster I dimly remember playing a game called post office, which seemed to be a happy occasion for those of us who were at a party. Listening to the hon. members who represent the post office here, I rather felt as if I were back in those more and more distant days of my youth, listening to people playing post office. Certain it is that they are people not sure just what they are doing, and who do not have all the facts at their fingertips. It is to be regretted

that such persons are toying with the largest government department outside of the Department of National Defence.

I would say that yesterday I was quite perturbed to hear a number of hon. members take issue with the post office on the question of second class mail, the delivery of magazines and things of that sort. The hon. member for Burnaby-Coquitlam, for example, said that the deliveries of a magazine called *True Love* had suddenly grown in the city of New Westminster from one bag to 12 bags. In the first place, I believe it is the responsibility of the people in that area to decide whether they want *True Love* or any other magazine.

Mr. Nicholson: They should not ask the rest of the people to subsidize it, though.

Mr. Pickersgill: Can you subsidize true love?

Mr. Hamilton (Notre Dame de Grace): I am very glad of the interruption by my socialist friend, because I can tell him that while this particular publication may not be sympathetic to his way of thinking, a great many if not all of these publications serve a very useful and valuable function in our economy and our culture. I am not necessarily suggesting *True Love* falls into that category, but a number of the others which were mentioned yesterday certainly do. I feel that for us to suggest that the information brought to the people of Canada by such magazines as *Time, Life, Reader's Digest,* and many others should be made more expensive to obtain through a change in the postal rates, for instance, is open to question.

I turn now to certain of the answers given to us. There is one thing apparent, that if you ask for something nicely the ministers do not give it to you very quickly, but if you lay on the whip in the house once in a while you sometimes get some response. I do want to thank the Acting Postmaster General and his parliamentary assistant for having this afternoon tabled the return for which I had asked some time previously, concerning thefts from the post office. I am interested in seeing that it reached the office of the Postmaster General on May 12. Presumably since that time the report has been under preparation.

Mr. Pickersgill: I think the hon. gentleman must surely be mistaken. These returns go to the Secretary of State from the Acting Postmaster General.

Mr. Hamilton (Notre Dame de Grace): I quote the heading, Mr. Chairman: "Secretary of State", and underneath it says, "Referred to the hon. Postmaster General for report; C. Stein, under-secretary of state." This particular statement is dated May 12.

Mr. Kirk (Shelburne-Yarmouth-Clare): It was referred to the department on that date.

Mr. Hamilton (Notre Dame de Grace): Yes. That was my statement, that it had been referred to the department on May 12 and it has taken from that time until now to be tabled. I would not expect the Acting Postmaster General, who is the full-time Minister of Citizenship and Immigration, to know anything about the Department of the Secretary of State, because he only held that position for a year and a half. It is hardly logical to expect he would find out anything about the department in that time, the type of forms he was signing or which were being signed for him by his officials. However, let us not be led down any garden paths by interruptions of that sort. Let us keep our eye on this particular situation.

In the course of his remarks this afternoon the parliamentary assistant said the return could have been made available almost immediately had it not been for the fact that I asked about court action in connection with these cases, so it was necessary to look into the matter to find out what action had been taken and what results had been obtained. If there is one damning piece of evidence that has come out in this house in respect to the operation of the Post Office Department it is that statement of the parliamentary assistant this afternoon, which shows the way they are handling their business.

Let us look for a moment at the information contained in this return. I knew in a general sort of way, by means of quick addition and certain information in the newspapers, that sizeable thefts were occurring in the post office. I had no idea, however, of the immensity of the thefts or their great numbers or the lack of follow through and the lack of investigation that is made evident by this report. Let me put the figures on the record.

Before I do so, may I say this is a summary that I made very quickly from the report. I hold this return in my hand and note that there are five and a half closely typed sheets, one line to a theft, covering thefts from the department since January, 1953. It was simply astonishing to me when I was given this information this afternoon, or perhaps rather than "astonished" I should say I was horrified. In order to make it as simple as possible for hon. members I have tried to summarize. Here is what I find: In 1953 there were 98 thefts from the post office; in 1954 the number almost doubled

to a total of 172, and in the first four months of 1955 there have been 58 thefts. In other words it is carrying on at a rate just slightly in excess of the 1954 average. There is a steady uptrend in thefts from the post office, with a tremendous increase between 1953 and 1954.

There is also a very definite increase in the large amounts being stolen from the post office. In 1953, while there were 17 thefts of $1,000 or over, there were no thefts of $10,000 or over. In 1954 there were 42 thefts of $1,000 or over and three over $10,000. In the first four months of 1955 there were 20 thefts over $1,000, and already there have been two of over $10,000.

Might I insert here, in parentheses, that the department also hides behind certain omissions from these figures. For example I would refer to one theft on December 16 from Britannia Beach, British Columbia, to which reference has already been made in the house. Opposite that, we find in the list of the amount of losses, the notation "bank money packet" but we know from the press that the amount was $44,500.

Mr. Pickersgill: How do you know the press is right?

Mr. Hamilton (Notre Dame de Grace): As I remember it, at that point the press were quoting official sources. If my recollection is correct they were quoting post office sources.

Mr. Pickersgill: I am told the information was never made public by the Post Office Department.

Mr. Hamilton (Notre Dame de Grace): I shall attempt to verify that before my speech in concluded. But I would say this, that I remember rather clearly the Postmaster General, who was then in the house, giving me that information himself in answer to a question. It is rather difficult to look something up in *Hansard* and make a speech at the same time.

I do point out that, in addition to the particular amounts which are listed and which, in the last four months, if my addition is correct, total, $108,000, we see a rather frightening situation so far as the people of Canada are concerned in the matter of the care being taken of all the material they entrust to Her Majesty's mail.

It might not be too bad if proper action were being taken by post office authorities to deal with this situation. After all I cannot hold the post office responsible, in the final analysis, for the actions of a man who chooses to hold up a branch of the post office or to break in and steal things from it. But I do say that in many of these cases such action could probably be warded off if adequate precaution were taken by the department. I do say that probably many of these thefts take place as a result of inefficiency in the department. I would not wish to stand here and say however that my case was based alone on the high number of thefts and robberies from the post office. I turn therefore to the record of the post office in dealing with these situations—because, after all, it is one thing to have a man steal from me but it is an entirely different thing if he steals from me and I do not do anything about it. Definitely, beyond question, if that situation exists time and again the responsibility lies on my shoulders.

As I have said, in 1953, there were 98 thefts from the post office, but only 18 of those—less than one-fifth—have been dealt with by court action. In only that small number has any attempt been made in that field to deal with the situation.

Mr. Pickersgill: I am sure the hon. member does not wish to be unfair. I am informed the Post Office Department in every one of these cases lays an information with the proper authorities. If there is a known suspect to prosecute, then prosecution is instituted. I am sure the hon. member knows that, once the Post Office Department has laid the information and has asked to have a prosecution carried out, it does not carry out the prosecution. The Post Office Department does not carry on police action; that is done by local, municipal or provincial police, or by the Royal Canadian Mounted Police in those provinces in which they act as provincial or local police.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, the Acting Postmaster General would be better off as Minister of Fisheries, in view of the red herrings he is trying to throw into the debate. There is one thing certain, and it is this: if money disappears and if the post office reports it as a theft or a robbery, then that money did not walk out under its own steam. Someone has been responsible for it. And for the Acting Postmaster General to stand up in the house and say, "In every one of these cases we lay informations", gives the impression that the department is dealing with the situation efficiently and doing something about it. But the thing that worries me is the actual statistical information, figures which I am putting on the record and which show conclusively that the department is not doing anything about it.

I do not wonder that he brings in his red herrings. Let me return to what I was saying. In 1953 there were 98 thefts and, as I remember it, 18 —

Mr. Pickersgill: Eighteen convictions.

Mr. Hamilton (Notre Dame de Grace): And now we have another red herring interjected by the Acting Postmaster General. Let me put on record right now what I asked for, because I could foresee all this shilly-shallying and all these attempts to introduce devious side issues. And I understand that some people in this house are expert in the introduction of devious side issues.

My question was, first: Have any thefts of money, postage stamps or anything of value occurred in the Canadian post office since January 1, 1953? 2. If so, for each such theft (a) where did it take place, (b) what was the amount involved, (c) what was the date of the theft, (d) has court action been instituted against specific individuals, (e) what was the result of such action, if any.

Now, I have been trying to get through this debate reasonably quickly, but this information has to be introduced to show the unfortunate way in which the Acting Postmaster General, by way of interjections, is attempting to make my exceptionally strong case appear as a weak one. He says that the only things listed here are convictions. My question specifically asks for, and the information filed specifically indicates that shown here is every case where court action has been instituted against specific individuals.

I now make a third try to put this information on the record, starting again with 1953, when there were 98 thefts and only 18 court actions, then turning to 1954 when there were 172 thefts and only 34 court actions—again something less than one-fifth—and in the four months of 1955 when there were 58 thefts and only 8 court actions. I might say in respect to 1955 that I realize there will probably be a few more court actions to come.

I cannot expect the Postmaster General to have money stolen from him one day and institute action against a specific individual the next day.

I do say most strongly that the situation is not comparable in any way with banking institutions which handle far greater quantities of money than the post office. The record of theft in the banking institutions of Canada is not in any way comparable with the bad record of the post office.

I repeat, Mr. Chairman, this record shows, first, that adequate care and attention is not being taken of Her Majesty's mail, particularly the valuable section; and, second, that the post office is derelict in following through, once a theft has occurred, in an attempt to find out the circumstances and prosecute those responsible for it.

In this connection, I come once again to the answer given in the house this afternoon by the parliamentary assistant that it would have been easy enough to tell us how much money had been stolen from them, but that they really do not know, without a great deal of work, what was being done about those thefts, who was being prosecuted and who was not, what action was being instituted, and so forth. If that is the situation, it is small wonder, Mr. Chairman, that we have reached the point where 4 out of 5 people who steal money, stamps or valuables from the post office can get away with it scot-free. Perhaps that is not the nicest thing to say. It is an unforunate thing, because it almost makes it look as though it is a good thing to go into the business of stealing from the post office. You have 4 chances out of 5 of getting away without being apprehended.

Let us look at some of the thefts of money that have taken place. There was a theft of $7,600 from the Killaloe station in Ontario on April 19. Please understand that I have no intention of reading this list of hundreds of thefts into the record. There was a theft of $29,453 in Toronto on January 31 of this year, a theft of $20,249 in Toronto on February 23 of this year, a theft of $30,710 in Toronto on November 28, 1954. It is unfortunate that I took 3 Toronto cases because similar thefts are occurring right across the country.

I should like to see the Acting Postmaster General rise in his place and give us a little more adequate explanation of the situation regarding the security of Her Majesty's mail than the wishy-washy answer which he gave us this afternoon, when he said, well, it was the responsibility of the local postmaster to look after this, and if he did not do right he was disciplined.

There was absolutely no answer given this afternoon—and I can well understand why—to my observations yesterday regarding the government T-4 return. I state directly, Mr. Chairman, that the question should be answered. There should be a complete answer to it. I realize it is embarrassing, but I think it is about time that the people who occupy the treasury benches face up to the mistakes that they make once in a while, or more often than once in a while, and when we ask a question in the house, give us a reasonable and honest answer without completely disregarding the question.

In the course of his remarks this afternoon the parliamentary assistant, in giving the reasons for the surplus this year, said that certain 1954-55 expenses which would normally be charged to the current fiscal year

would be charged to next year. I hope that before we leave the item he will give us some indication of the volume of those expenses that would be largely concerned in a surplus of $5 million. If government accounting has reached the point where large items amounting to millions of dollars can be transferred willy-nilly from one year to another, then it is rapidly becoming suspect. If the minister should rise in his place and say that they were only little items—I just mention that in passing—then the government answers in this house are becoming suspect.

Yesterday, points were brought out in connection with annual leave for letter carriers and whether they should be in the order of seniority, including supervisory letter carriers, or excluding them.

Mr. Pickersgill: I think the hon. gentleman was not in his seat when I gave an answer about that at the beginning of the afternoon.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, I was either in my seat or immediately behind the curtain. I think I heard everything that was said this afternoon. I was just going to say that if I heard the answer right it did not seem to go into the details of the problem as they were set out yesterday. If my memory serves me rightly the acting minister said that he had certain representations made to him, and the matter was under study.

Mr. Pickersgill: No, that is not correct. What I said was that the delegation received by my colleague, the Minister of Finance, my colleague, the Secretary of State, and myself, discussed this briefly this morning and that a meeting had been arranged between some of the people who were there who represented some of these organizations and some of the officials of the department, and that they had hopes of ironing this whole thing out very quickly. Therefore, it is under very active discussion between the department and these representatives of the employees organizations.

Mr. Hamilton (Notre Dame de Grace): If my memory serves me rightly—and I shall be glad to yield the floor for a moment to the Acting Postmaster General—the action was in respect to vacation time and the restrictions applying thereto.

Mr. Pickersgill: It was a question of priority of leave for supervisory letter carriers.

Mr. Hamilton (Notre Dame de Grace): I am delighted to hear that. I only hope that when the decision is made the information will be given to the house and that the government will not follow the all too frequent practice of releasing it to the press first and to the house afterwards.

May I just say one further word in connection with that? If equity is to be shown there is only one way that this situation can be dealt with, and that is to give equal treatment to all groups of letter carriers across Canada. That is the first point. The second point is to give no priority to the supervisory letter carrier, because his status, his responsibility and his position are exactly similar to that of the letter carrier himself. It is amazing, Mr. Chairman, that a matter such as this, which has been boiling for months, which has been the subject of representations to the Post Office Department headquarters at Ottawa on several occasions—I do not single out any one individual—on which I personally have worked for the past month and a half, should suddenly, by a coincidence, come to a head this morning, the day after it was brought up in this house.

Mr. Pickersgill: On that point, of course, this meeting was arranged over a month ago. It just happened by accident to coincide with these estimates being before the house.

Mr. Hamilton (Notre Dame de Grace): I rather hoped I would get an answer like that from the minister. One would think it would be at least a mark of courtesy, when the department knows that a member is deeply interested in a matter, that he has been discussing that particular matter with the minister and with the minister's officials, that some member of his department would get in touch with the member and tell him what they were doing.

Mr. Weir: I do not know why.

Mr. Hamilton (Notre Dame de Grace): There are two hon. members over there who for one month have been sitting on top of this meeting—

Mr. Pickersgill: Mr. Chairman—

Mr. Weir: That is ridiculous.

Mr. Pickersgill: The hon. member does not seem to understand what really happened. An organization of postal workers was asked by the Prime Minister to meet the appropriate ministers. A meeting was arranged at the earliest date that suited those organizations and suited the three ministers whom it was appropriate to have there. It just so happened that these estimates came up the day before. It was the purest coincidence—a fluke, if you will. Certainly I do not see how it could be suggested that there is anything wrong or irregular in this, or anything disrespectful

even to so senior and distinguished a member as the hon. member for Notre Dame de Grace.

Mr. Hamilton (Notre Dame de Grace): I take the compliment in exactly the manner in which it was meant, and I assure the minister that anything I say about him that is complimentary is meant in exactly the same way. I do want to say, Mr. Chairman, that despite all the verbiage hung around this by the Acting Postmaster General it still seems to me that it is discourteous to a member who has been pressing the department in connection with a particular matter that that member should not be advised for over a month of even the fact that a meeting is going to be held or that discussions are going to take place on the matter. I am not going to labour the point much more, but I accept the apology of the minister, and I can only say that perhaps after this experience he will keep us better informed in the future.

Some reference was made in the reply this afternoon to the post office savings bank. I wish to say first to the hon. member for Moose Mountain that there never was any suggestion on my part that the post office savings bank and its facilities should be discontinued. I did suggest ways and means of more efficiently and more cheaply accomplishing that particular function of the post office to the parliamentary assistant, who gave a reply in that connection.

It is unfortunate that the government, having spent some hundred thousand dollars for a management report and having reorganized their department very largely on the basis of that report, subsequently finds it necessary to come to this house and argue against the conclusions of that report. The report specifically said that the saving if the post office savings bank were discontinued would be $377,000. This afternoon the department comes into the house and says, "Yes, but it is only $150,000 that the savings bank is costing us". When we pay for a report and organize a department on the basis of that report we should be prepared to stand on that report if it is a good report; and if it is not, we should not be reorganizing on the basis of it.

Finally there is the question of the two-a-day mail. I have never heard a weaker explanation or set of figures—or rather, lack of figures—given than this afternoon in that connection. The parliamentary assistant came in and said, "If we follow through with the member's suggested plan we will have a lot of additional expenditure". Then he stopped —a dead stop—and went on to refer to the fact that he—presumably his department—considered the public would not approve of this measure.

Mr. Chairman, when we come into this house and sit here month in and month out doing our sincere best to do a job for the people of Canada and when we come forward with an idea which in our estimation is a sound and sensible idea, when we suggest that it is an idea which would not result in major increases in expenditure, it disturbs us, to say the least, that the minister should feel that he can come in as the Delphic oracle and announce without giving any reasons whatsoever just that it will incur additional expenditure. I ask the parliamentary assistant if he will stand up later and give this house some definite information, at least a few figures, as to where the additional expenditure would arise in this suggested course of having two deliveries a day for five days a week instead of the present course of having one delivery a day of mail six days a week. I pay no attention whatsoever to his statement that the public would not like the new system. Those of us on this side of the house individually are certainly capable of coming to some conclusions as to what the people want; that is what the minister has done. I feel that our views on that subject are at least as good as his.

Finally, as we approach five o'clock, before I resume my seat, I would ask the minister on this first item to tell us why his travelling expenses have had to go up from $35,300 to $100,400. Even with all the effort put forward by this government in finding new and fanciful ways of spending public money, that is an accomplishment of which he may well be proud.

Mr. Pickersgill: Mr. Chairman, before you leave the chair—

Mr. Hamilton (Notre Dame de Grace): Five o'clock.

Mr. Pickersgill: I do not think we should leave that innuendo on the record. Those are not the minister's travelling expenses; they are the departmental travelling expenses.

The Deputy Chairman: Order. The committee will have to adjourn. It being five o'clock, the house will proceed to the consideration of private and public bills.

At five o'clock the Speaker resumed the chair.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 374, to incorporate Petroleum Transmission Company.—Mr. Fairey.

Bill No. 373, respecting the Commercial Travellers' Association of Canada.—Mr. Michener.

YUKON PIPELINES LIMITED

The house in committee on Bill No. 375, to incorporate Yukon Pipelines Limited—Mr. McIlraith—Mr. Applewhaite in the chair.

Clauses 1 to 5 inclusive agreed to.

On clause 6 as amended—*Power to construct and operate pipe lines.*

Mr. Green: Does this clause 6 contain the amendment which was passed in the committee?

The Deputy Chairman: Perhaps I should read the amendment which was made in the committee on railways, canals and telegraph lines. I am told that it will be found at page 624 of the *Votes and Proceedings* on hon. members' desks. At the end of line 31 the following words have been added:

provided that the main pipe line or main pipe lines for the transmission of gas and gaseous hydrocarbons shall be located entirely within Canada.

Amendment agreed to.

Clause as amended agreed to.

Clauses 7 to 11 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

S & M PIPELINE LIMITED

The house in committee on Bill No. 378, to incorporate S & M Pipeline Limited—Mr. McIlraith—Mr. Applewhaite in the chair.

Clauses 1 to 5 inclusive agreed to.

On clause 6 as amended—*Power to construct and operate pipe lines.*

Mr. Green: There is a similar amendment to clause 6.

The Deputy Chairman: The amendment is the same as that in the preceding bill.

Clause as amended agreed to.

Clauses 7 to 11 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

STANMOUNT PIPE LINE COMPANY

Mr. P. T. Hellyer (Davenport) moved the second reading of Bill No. 406, to incorporate Stanmount Pipe Line Company.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Green: Will the sponsor give an explanation of the bill?

Mr. Hellyer: Yes; perhaps I should make a brief statement with regard to this bill.

It is proposed that the Stanmount Pipe Line Company be organized for the purpose of transporting petroleum from the United States and Canada through Canada back into the United States markets. The route of the proposed pipe line will be from Beaverlodge field, North Dakota through the Tioga field, North Dakota through southeastern Saskatchewan to Cromer, Manitoba.

The length of the proposed line will be approximately 140 miles and will tie in with the Interprovincial Pipe Line Company system at Cromer, Manitoba. The size of the proposed line will be $10\frac{3}{4}$ inches, outside diameter, and will have an ultimate capacity of approximately 40,000 barrels per day. The estimated cost of the proposed line is approximately $6 million, about half of which will be expended in Canada.

The Interprovincial Pipe Line Company have indicated they now have enough spare capacity to accommodate the through-put of oil of the proposed line and have also indicated their willingness to transport this crude in bond via their Canadian and United States —Lakehead Pipe Line—lines to the United States markets.

A thorough investigation of the oil production available from the above mentioned fields, and markets which the proposed pipe line system will serve in the United States, has been completed. These fields are located in the Williston basin which has estimated reserves of 600 million barrels of crude oil and the area will develop rapidly when additional outlets are provided. Therefore, it is expected the available markets of 30,000 barrels per day along the Interprovincial Pipe Line route in the United States will ultimately be transported through the Stanmount-Interprovincial-Lakehead system. These markets of 30,000 barrels per day in the United States are for 40 degrees to 42 degrees API crude which is presently being transported by railroad tank car and truck, a much more expensive method of transportation than by pipe line. It is to be noted that no other pipe line services this area to eastern markets. In addition, any crude developed in southeastern Saskatchewan which meets the above specifications will be afforded an immediate market.

A Delaware corporation known as the Stanmount Pipe Line Company, Inc., has been incorporated and it is proposed that it will be

a wholly-owned subsidiary of Stanmount Pipe Line Company. It is further proposed that this United States corporation will build and operate the section of the proposed line in the United States.

It is intended that the direction of pumping be reversible in the proposed pipe line and, in the interests of national emergency, the existence of this pipe line system will make readily available to both the Canadian and United States governments the enormous crude oil reserves of the Williston basin. By the same token, Canadian crude can be made available to the United States.

The proven and semi-proven reserves of crude oil in the producing areas to be served by the proposed pipe line and the refineries to be served by this system make available desirable markets in the United States. In the opinion of competent engineers, these known factors justify the financing of this project. Expert evidence by highly competent pipe line engineers will be available when this bill is before the committee on railways, canals and telegraph lines.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

GILLESPIE MORTGAGE CORPORATION

Mr. J. L. MacDougall (Vancouver-Burrard) moved the second reading of Bill No. 409, to incorporate Gillespie Mortgage Corporation.

Mr. Weir: I think we should have an explanation of this bill.

Mr. MacDougall: Don't worry, you will have it.

Mr. Weir: Very short, though.

Mr. MacDougall: I think it would be wise if I were to explain the bill, which is a very simple one, under three headings, sponsors, incorporators and reasons for incorporation.

Sponsors: The bill to incorporate the company under the Loan Companies Act is sponsored by R. Kerr Houlgate and Summerfield, Limited. The latter company has conducted a mortgage, management, commercial leasing and insurance business in Vancouver since 1905. Its business is specialized and it does not act as a real estate broker.

Incorporators: The incorporators are Harry Arthur Gillespie, for eight years a director of R. Kerr Houlgate and Summerfield, Limited and actively concerned with its mortgage business; Ian Hunter Bell, the Vancouver resident partner of P. S. Ross and Sons, chartered accountants; Allan Stuart Gregory, a partner in the firm of Ladner, Downs, Ladner, Gregory and Lenox, solicitors for the applicant; Claude Frederick Dunfee, Vancouver branch manager of a life insurance company and a past president of the Canadian Life Insurance Officers Association; Dean Stewart Mansell, vice-president and director of Macaulay, Nicolls, Maitland and Company, Limited, a prominent Vancouver real estate and insurance firm.

The reasons for incorporation are as follows: Since July 1, 1953, R. Kerr Houlgate and Summerfield, Limited has acted as mortgage loan correspondent for the Metropolitan Life Insurance Company at Vancouver. It does not act simply as an agent in placing mortgages for the Metropolitan Life Insurance Company but rather places mortgages in its own name and then sells them to Metropolitan. This is an established mortgage practice in the United States, although less common in Canada. It is Metropolitan's method of doing business.

Central Mortgage and Housing Corporation has ruled that R. Kerr Houlgate and Summerfield, Limited cannot qualify as an approved lender under the National Housing Act and hence is ineligible to make National Housing Act loans. It continues to place a heavy volume of conventional non-national housing mortgages. The purpose of the incorporation is to qualify the new company as an approved National Housing Act lender.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

SMALL LOANS ACT

AMENDMENT TO REDUCE COST OF LOANS

The house resumed, from Friday, May 6, consideration of the motion of Mr. Argue for the second reading of Bill No. 304, to amend the Small Loans Act.

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, I rise to continue the debate on the proposed amendment to the Small Loans Act which was introduced by the hon. member for Assiniboia (Mr. Argue) on May 6. The debate is reported in *Hansard* at pages 3535 to 3542. From the point of view of the Department of Finance it is not my purpose to defend in every particular the Small Loans Act as it exists at the present time. I did, however, indicate to the house that the Small Loans Act was created upon the recommendations of the banking and commerce committees of 1937 and 1938, and received over the years a great deal of attention from former members of the house. The present

act did make some very substantial improvements at that time. It did provide for the first time some form of government regulation. It has substantially, one might probably say to all intents and purposes, eliminated the unscrupulous loan sharks who were being investigated by our committees at that time, and I think it is safe to say that since its inception it has resulted in the availability of an adequate amount of legitimate capital for the small borrower who is not able to provide the normal type of security that is traditionally required by most of our chartered banks.

It may be, Mr. Speaker, that after 15 years it would be appropriate for the house to review the advantages and merits of the present statute. I would agree with the hon. member for Assiniboia that doubtless our chief interest and attention would be directed to the desirability and merit of the existing maximum rate of charge or interest. I would agree also that the house, if it were to make a review of the act, would probably also like to concentrate on the advisability of continuing the present ceiling of $500. Only loans up to $500 come within the regulations of the act.

Hon. members will recall that as recently as last year this house, in revising the Bank Act, took a very important step that has a bearing on the small loan field. I refer to the authorization given by virtue of the Bank Act revision to the chartered banks enabling them for the first time to lend money on the security of chattel mortgages. In his speech on May 6 the hon. member for Assiniboia commended the Bank of Commerce which, notwithstanding the lack of opportunity of taking chattel mortgage security, pioneered in what might be called the small personal loan field; in other words, the making of loans where the normal type of security that is usually requested by a bank is not available. I am thinking of non-business loans where a bank normally expects that the borrower will be able to present security such as bonds, shares, insurance equities and the like. This is a field in which the small loan companies are so active.

It is a little too soon to know to what extent the chartered banks are going to increase their interest in this type of lending because the act was only amended a year ago and reports in connection with this new type of business are not yet available. However, I think it will be obvious to members of the house that if the chartered banks do take a bigger share of the lending in this field it will doubtless be the fact that they will be taking the better share, and we will still have before us concern about who is going to serve the poorer risks.

It is the view of the Department of Finance that it would be unwise on the part of this house to accept the bill now offered by the hon. member for Assiniboia without a very extensive review by the banking and commerce committee. I think it would be reasonable to take evidence from the chartered banks as to the extent to which they have taken a more active part in this field.

I believe that we would be required to give good notice to those who are in this field, and there are many not only as licensees but as companies. It is our feeling that this could not be handled in an efficient way this session, being introduced as it has been at this late time.

In addition to that, I should like to point out to the house that in our view there are some features of the proposed amendments which obviously would not be acceptable to most members of the house. Indeed, I question whether, when considered by the sponsor, they would be very satisfactory to him. It is not clear in the proposed bill what the hon. member for Assiniboia has in mind with reference to the licensing provision, since no amendment is suggested in his amending bill with respect to the proviso in subsection 1 of section 5. This proviso states that a licence is not required by a money lender where the cost of the loan does not exceed 12 per cent per annum, which is equivalent to ·95 of 1 per cent per month. If the maximum permissible rate under the act were reduced to 1 per cent per month, the effect would be that only those lenders charging between ·95 of 1 per cent and 1 per cent would be licensed.

Furthermore, under subsection 1 of section 6 as it now stands, the maximum rate of interest after the expiry of the termination of the loan is to be 12 per cent per annum. Again, as I say, that is ·95 of 1 per cent per month. Clause 2 of the bill of the hon. member for Assiniboia would permit a slightly larger rate, namely 1 per cent per month. For these reasons alone, I think it would be unfortunate if this bill were proceeded with at this time.

Hon. members are probably aware that the Small Loans Act is administered by the department of insurance which reports to the Minister of Finance. This department has a very strict policy, not only for licensing but for scrutinizing the charges of these companies and the annual statements that they present. I think it is fair to those in charge of this administration to say that they have probably been carrying out the supervision in this field in a cleaner and

better way than probably any other country of which we know. The department itself is most anxious to ensure that the maximum allowable rate is set as low as possible, but it has to be consistent with the availability of funds for those people who require the loans. It is true in recent years that the expense of doing business has risen considerably. At the same time it is known by the annual report that the volume of business of this type has also increased very importantly, and volume is an important factor in their cost ratios.

These features just tend to aggravate one of the problems that seem to be inherent in this business, and that is that a rate that may be too low for a company with a small volume of loans may be too high for a company with a big volume of loans. I believe that is borne out when one looks at the last report submitted to this house under the Small Loans Act. I refer to pages 12 and 13 of the 1953 report under the Small Loans Act, where it is shown that one company dominates the field in small loans to the extent of having something over $50 million of the $71 million of loans for 1953 governed by this act. This particular company made 530,000 loans in 1953 and the average loan was $226.

Now, I just want to indicate to the house what would happen to that business if this particular bill were accepted. I find that this company, which has the advantage of volume which is admittedly a necessity for profitable operation in this field, had total charges, that is charges or interest, amounting to $12·6 million. Their expenses were $6·6 million, leaving a gross profit of $5·9 million. They paid income tax of $2·9 million, leaving a net profit of roughly $3 million. If the interest were cut in half as proposed—this is by no means considered to be all interest but involves the work of drawing the security documents and so on, so that charges are a very important factor—this would be the effect on the balance sheet of this company. The income would be $6·3 million, the expenses were $6·6 million so there would be a loss of $300,000.

Now, of course, the sponsor says that companies of this type can cut their costs. This attitude is typical of the members of that party who believe they are able to run everyone else's business a little better than the proprietor. He gives a few illustrations. He said that for one thing they should be able to cut the cost of borrowed money, I do not know these people personally, but I cannot imagine these businessmen paying any more in interest than they needed to pay. The hon. member makes a comparison with the Bank of Commerce and says there is a spread there between the cost of money in the small loans department of the Bank of Commerce as compared with the cost of borrowed money in the personal loan company field.

I hope all members of the house will realize that would undoubtedly be the case. The Bank of Commerce or any other chartered bank gets its money from depositors who are paid a very low rate of interest. The small loan company lender must go to the banks or other sources and borrow at the normal rates. He referred to advertising costs. It is not my purpose to say that advertising costs of these small loan companies are justified, but I will remind the hon. member for Assiniboia that when he read the brief the Canadian Bank of Commerce presented to the banking and commerce committee of 1954 he should have read what the general manager of that bank told the committee respecting advertising. He said that advertising was a very important thing in this kind of business. As reported at page 822 of the banking and commerce committee report, he said.:

> The present basis is not sufficient to permit the necessary publicity and development in rendering service of greatest breadth.

He was saying that the rate they were obliged to charge was so low he felt they could not afford the advertising which would bring in the volume to increase the service.

In the same report on small loan companies I find that the only other company which has a large proportion of its money out in small loans rather than loans that are not covered by the act would be in this position if this particular amendment were adopted. It reported in 1953 an income of $669,000. Its expenses were $599,000. Its gross profit was $69,000 and the profit after tax was $37,000. If you cut this income in half there would be a loss of approximately $300,000, which is just about 50 per cent of its total income.

And every other licensee, every other company reporting under the Small Loans Act, has a smaller percentage of its business under the act than outside the act. I know the hon. member for Assiniboia suggested in his speech that we should have something in the nature of a government guarantee on loans to people who have not security, in a manner such as is now followed by the government in respect of home owners and owners of farms. I am not going to argue the merits of that proposal at this stage, but it would be obvious to him, too, that an undertaking of that kind would not be entered into until a great deal more study had been made of it than has been made to date.

And so what I am pointing out now is that in asking the elimination of the source of funds for these necessitous persons who want small loans, before any other alternative is available, he is making the proposal that the source of these funds obviously would completely disappear.

I, too, have read the brief to which the hon. member for Assiniboia referred, namely that of the Bank of Commerce before the banking and commerce committee last year. While the hon. member made some quotations from the brief, I feel that his quotations were extremely convenient from his point of view. While I am not particularly taking sides, I do think that for the purpose of information of hon. members it is very desirable that some of the other side of the coin be placed on the record. The general manager of the Bank of Commerce is reported at page 809 of the proceedings of the committee on banking and commerce as having said, with respect to these personal loans:

> The charge is only to a small extent to recover interest cost: by far the greater cost is in direct operating expense quite apart from the cost of funds in use.

The hon. member for Assiniboia pointed out that the average yield, since the inception of the Bank of Commerce plan, was 10·46 per cent. But he did not say that in the same brief the general manager of the bank pointed out that after paying taxes and averaging the business done since 1936 the net profit to the bank was only ·77 of 1 per cent. And I think it would be obvious to most members that not a great deal of capital would be available to borrowers if the net profit was to amount to only ·77 of 1 per cent.

I would also remind hon. members that while this one small loan company which, as I said, is dominant in the small loans field under the act, had all its loans and all its business within the act, the Bank of Commerce in its personal loans department did only 30 per cent of its business on loans under $500. Everyone realizes of course that it is much more expensive to deal with a great many small loans, where the number of interviews, collection work and so on is just as great, than it is to deal with a fewer number of larger loans.

Then again the hon. member for Assiniboia picked out of the report of the committee on banking and commerce the reference to the loss ratio reported by the Bank of Commerce —the reference to bad debts. He used the figure in the brief which was that of one-tenth of 1 per cent. But he did not inform the house that the general manager of the bank, in presenting the same brief, said:

> The payment record however has been achieved during a period of very high employment. Under such conditions it would have been less than prudent not to build up an adequate reserve for the future.

He said, at the time of presenting the brief:

> Our reserve is now one-quarter per cent of funds employed. Losses currently appear to be running at about this rate.

The hon. member for Assiniboia also referred to an operating profit in 1952 by the Bank of Commerce in this department of 2·48 per cent. However, he did not point out to the house that after paying taxes the profit of the Bank of Commerce in this particular personal loans department in 1952 was only 1·24 per cent. And he, further, had available to him the 1953 results which showed that the net profit by the Bank of Commerce, after income tax, in the small loans department was 1·11 per cent.

I think most members realize that this is not a particularly attractive business profit. To some extent I believe it indicates why other chartered banks, which the hon. member for Assiniboia was scolding for not entering the field, have been rather sceptical about it, particularly prior to the time the house authorized them to take security under chattel mortgages.

I reiterate that in my view the bill itself would not even carry out completely the desires of its sponsor, particularly in connection with the clauses overlooked that have reference to regulations. I do feel that while the house may very profitably look into a matter of this kind at the next session, through one of its committees, the remaining period of this session is not such that we could do an adequate and efficient job of getting the proper amount of evidence before a bill of this kind could be accepted.

Mr. Solon E. Low (Peace River): Mr. Speaker, I would like to take a few moments to do a bit of thinking out loud in connection with this bill. I am not sure one can throw much more light on the principle we are discussing, but I would like to say at the beginning that even though the bill has deficiencies—and I admit there are deficiencies in it—it is still worthy of discussion; and I believe that out of this discussion there is likely to come some crystallization of views with respect to this whole business of small loans. For this reason I congratulate the hon. member for Assiniboia upon his enterprise in introducing the bill. If it does nothing more than point up the need for some institution to make small loans to people whose

credit has not yet been established, or who are not considered creditworthy, it will have served a useful purpose.

After the bill was introduced I took the trouble to look back over the record in *Hansard* of the discussion that took place when the Small Loans Act was passed. I recall particularly the content of the speeches of Mr. Ilsley and the hon. member for Rosthern (Mr. Tucker) who spoke at some length at that time. I took note of the difficulties which it was thought they faced in that day in attempting to set a ceiling limit on interest rates under circumstances that might possibly dry up the source of funds and drive people into the clutches of the small loan sharks.

I think perhaps many of the fears expressed at that time were well founded. Evidently it was the experience of people in other countries that at any time they did attempt to set ceilings that were too low on these small loans, it did have the effect of drying up the source. There is no question about that. But even so, it does seem shocking in this day and age of comparatively easy money that people should have to pay 26 per cent and upwards a year for their borrowings. The present act does provide a ceiling limit of 26 per cent. It is supposed to be 2 per cent a month, but, as the hon. member for Rosthern (Mr. Tucker) said when he spoke on the original bill, it does amount to something over 26 per cent yearly. As I say, it does seem shocking. That to me is usurious, if it is not usury. I do not know where the line is to be drawn between an ordinary rate of interest that is legitimate and usury; but certainly a rate of 26 per cent a year is usurious and indicates not only characteristics of leeches but I would go further and say bloodsuckers. I am afraid there are too many bloodsuckers who are anxious to live on the avails of destitution. That is exactly what it is. These people are prepared to take advantage of the fact that other people are often forced to come to them for accommodation, for small loans, that they simply cannot do without. To take advantage of them, it seems to me, is certainly invoking the wrath of the ancient prophets who said that these people grinding down the faces of the poor are the worst leeches known to society.

Well, as I say, it is still unfortunate and shocking that in this day such a thing should be. But I will say this. My reading and my experience have both proven that as soon as the Small Loans Act was passed it eliminated to a very large degree the leech or the bloodsucker. We are not plagued with such, as they are in some other countries. While I was in British East Africa last summer, it was drawn to my attention that the rates of interest charged not only on small loans but on medium loans of medium length and on long-term loans were shockingly high, in some cases 50 per cent to 60 per cent, and that the rate on the ordinary commercial loan was something that we would not countenance in this country. They told me that the loan sharks thrived over there with no regulation whatsoever. Therefore, I do say that the Small Loans Act has done a pretty good job.

I am afraid I must agree with the parliamentary assistant to the minister who said that we have to be careful not to put a limitation on the rate of interest that would drive the funds out of the field and make it impossible for people to get accommodation. I am inclined to believe that this bill is putting the cart before the horse. I do agree with the parliamentary assistant that as soon as it is convenient this whole matter should be studied by a committee. It should be given the broadest and the deepest possible study, with a view to finding some solution to the whole problem.

I said that to pass this bill now might be putting the cart before the horse. The reason I say that is this. We should direct our efforts towards finding sources of funds that may be lent at smaller rates of interest than 2 per cent a month. Before we set a limit to the small loans that are now being made—that is, a limit smaller than the present one—we should investigate every possible means of extending and strengthening the credit union system. In my judgment, that is one of the finest measures for eliminating the sort of usurious charges that we have known in the past and about which we are now complaining.

Some of the provinces in the dominion are doing a good job in encouraging the development of the credit union organizations plan. It is an excellent thing. In this house we should give consideration to ways by which the dominion parliament and government can assist in extending and strengthening the credit union set-up. The second thing we should be considering is ways and means of extending the kind of thing which the Bank of Commerce has been doing for some years, and rather successfully. What they have done has shown what other banks could do efficiently and well.

I congratulate the Canadian Bank of Commerce on their personal loans division. While I am doing so, I should like to correct one thing which the parliamentary assistant said, perhaps inadvertently, in comparing the cost of the funds which are available for loan by the Canadian Bank of Commerce small loans

division on the one hand, and the small loans companies on the other hand. I think the parliamentary assistant did say that the cost of the funds obtained from the depositors of the Canadian Bank of Commerce would be much smaller than that borne by the small loans corporations. Well, the fact is, of course, that the Canadian Bank of Commerce does not lend the depositors' money through its small loans division. What it does is to create the loans at the moment they are made. All it needs to have is the cash reserve required now at a percentage of approximately 8 per cent, as required by the Bank of Canada. Naturally, their costs are much lower. I can understand what the hon. member has said, and the force of his argument. As a matter of fact, what I have just now brought before the house does strengthen the argument.

The cost of the funds of the Canadian Bank of Commerce small loans section is very much less than the cost of the funds that are lent by the small loans companies. My own feeling is that other banks could enter this field and by so doing could give a real public service. It might be possible to induce them to get into the field. If so, it would help to solve the problem to some extent, although there would be a group of needy individuals who yet would not be served. They will have to be the responsibility of some other institution or organization. My own judgment is that we may have to set up some institution in our land, maybe provincially or nationally, backed by the government, but not necessarily a government institution. I do not think it would be wise for a government institution to attempt it, but some institution backed by the government, an institution designed perhaps to consolidate the small debts of the people who have met with adversity and are really in need of credit, but whose needs are yet so small that they would not be an attraction to the ordinary lending institutions to bother with them. Perhaps I should include people who have not proved themselves to be creditworthy.

I am satisfied that such an institution would require government backing. I am also satisfied that in the long run it would lose money. But, Mr. Speaker, I point out that it would be cheaper in the long run to assist people through an institution of that kind than it would be to pick up the dregs after they have been forced into doing things because they cannot get a bit of credit.

There are thousands of people in our country who need a little money and who oftentimes need it quickly because of tragedy that has struck their families. Perhaps they have no place to go for it except to their friends. If they are not living with their friends who have the wherewithal, what are they going to do? I am sure they would do everything they are capable of doing to manage their affairs successfully, but some people are just not built so that they can manage. Such people are managed and their affairs are managed for them by institutions. It looks to me as though it would be worth while thinking about some institution, government-backed, to help these people when they are in need with a small loan that may not be worth bothering about by some of these other institutions.

If we could get those three things working, it seems to me we might perhaps be able to put a limit of 1 per cent a month on these small loans without causing distress among people who have to go to the small loans companies to get their credit. I would agree with the parliamentary assistant to the minister that we should give this matter a most thorough and earnest study and bring it before a committee perhaps at the next session to see if it would be possible to work out provisions for meeting the needs of those people who have no credit standing but who are nevertheless human beings and ought to be taken care of, and not neglected. Otherwise it does not seem as if we are doing our duty to human beings. I congratulate the mover of this motion on the bill. I think his bill will serve a very useful purpose, although in its present form I am not sure it will do the job it is designed to do.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I rise in my place to support the bill that is now before us. I was one of the lucky ones who in my high school days attended a separate school and had to make a rather thorough study of church history. While studying church history I was informed that for hundreds of years—as a matter of fact, for more years than was not the case —the teachings of the Christian church were that the charging of interest was something to be considered unethical. For many long centuries Christians were not allowed to charge any interest whatsoever.

I only regret that because of the members on the government side who were on last year's banking and commerce committee the introduction of a bill of this sort is at all necessary. I understand that the banks of Canada at that time expressed their willingness to enter the personal loans field if they would be permitted to charge, not 6 per cent as they are now permitted, but 12 per cent per annum on personal loans. However, some of those so-called monetary reformers who were on the committee raised their hands in holy horror at the idea of allowing the chartered banks to raise interest rates

from 6 per cent to 12 per cent, and they were not allowed to do so. I regret that this happened because I feel that, if our chartered banks had been given authority to enter the personal loans field and to charge 1 per cent per month on loans which were secured by means of chattel mortgages, all major Canadian finance companies today would have disappeared and we would not have had to consider a bill of this sort.

The next matter I should like to raise is the question of whose money is being used by the finance companies of Canada. There was something to be said for a man when he decided to risk his own money and also being able to decide how much compensation he ought to have before he would decide to take the risk. However, that argument can no longer be applied to the finance companies in their operations at the present time. From all the information I have, finance companies obtain the vast bulk of their money from the life insurance companies and from the chartered banks of Canada. They pay in the neighbourhood of 4½ per cent for this money. They use this money and charge 24 per cent for the use of it. According to my calculations that represents a charge for the cost of handling of 19½ per cent. The hon. member for Assiniboia (Mr. Argue) has placed enough evidence on the record to indicate that these finance companies, if they wished, would be able to operate at a much lower rate. If they were not able to operate, I do not think we who are supposed to represent the interests of the Canadian people at large should be unduly worried. I was the one who interrupted the parliamentary assistant, and I said we would like to see the finance companies out of business. We would be doing a real service to the people of Canada if legislation were so framed that they would be unable to continue operations, at least on the basis of charging 2 per cent per month.

Mr. Speaker, may I call it six o'clock?

Mr. Deputy Speaker: Order. The hour for consideration of private and public bills having expired, the house will resume the business interrupted at five o'clock.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

POST OFFICE DEPARTMENT

334. Departmental administration, $1,546,388.

At six o'clock the committee took recess.

[Mr. Regier.]

AFTER RECESS

The committee resumed at eight o'clock.

The Chairman: Shall the resolution carry?

Mr. Nowlan: Before the resolution carries there are one or two comments I should like to make on perhaps a different plane from that on which we were dealing with matters at five o'clock. The hon. member for Notre Dame de Grace was more or less in the sordid realm of criminal procedure as it affected the department. I should like to take the minds of the committee for a moment away from that mundane subject to the more aesthetic and artistic one of the administration of the department in so far as its choice of stamps is concerned. I am sure it will be a welcome relief to the Acting Postmaster General to get translated to that realm even for a moment.

Mr. Pickersgill: I was a stamp collector at a very early age.

Mr. Nowlan: I am glad to hear that because some of the things I have to say will be things which have been told to me by stamp collectors. The Acting Postmaster General perhaps can tell me as a philatelist; I am not quite sure about the pronunciation but as long as we both agree that neither one of us is quite sure I shall not be called to order for mispronouncing it.

Mr. Knowles: It is spelled the same way in *Hansard.*

Mr. Nowlan: Seriously, I think there is something that should be said to this committee with respect to this matter. We have had various series of stamps during the last few years. We have the fur-bearing series which has had animals depicted on the stamps of this country. On one of them I noticed an Indian or trapper of some kind nailing a beaver hide, I think it was, to a log cabin, but that beaver skin was much larger than the trapper himself. Then we have another one, which possibly might have some significance to the married men of this country, where I noticed an Indian warrior or an Indian buck squatting back of his tepee while the squaw is doing the work of nailing a deer skin to the front of the tepee. I am sure that is something which we all would hope to emulate but I am not so sure how practical it would be.

Mr. Knowles: And how!

Mr. Nowlan: "And how" is right. Now we have the wildlife series on which I am not going to make any extensive comments. I just wonder why we have these various

series of stamps in view of the omissions I think have been made by this department. I have some of the wildlife series in front of me. I am not going to elaborate on them for the moment or to elaborate on them at all. But certainly if anyone looks at the 4-cent stamp he will see what I mean. I hope that some time during the evening the Acting Postmaster General or his parliamentary assistant will satisfactorily define for the committee just what is depicted on that 4-cent stamp. I thought it was a muskox. Certainly it has that lonely and rather sinister and ferocious glare that you would associate with the muskox.

Mr. Pickersgill: Perhaps the minister of northern affairs could tell you that.

Mr. Nowlan: I looked at the report of the Postmaster General this afternoon and I saw that in 1954 what was depicted on the 4-cent stamp was a mountain goat. But when I look at the stamp and the one reproduced in the report I cannot tell except that I think the mountain goat looks possibly more intelligent than the muskox. Then I had a note later on in the afternoon from a friend of ours in the press gallery who suggested that someone should comment on the fact that this 4-cent stamp had depicted on it a judge of the supreme court with a wig on. I think that is perhaps a reflection on the judges of the court, but nevertheless it suggests the difficulty in deciding just what is depicted on these stamps. When you cannot tell the difference between a muskox, a mountain goat and a judge of the supreme court, I would suggest that there is something slightly wrong or something askew with the engraving which is being carried on by the department at the moment. I noticed the reply of the acting minister this afternoon to the hon. member for St. Paul's, I think it was, wherein he said that the contract has been let for three years to the Canadian Bank Note Company Limited and will come up for renewal next year. I hope one suggestion made will be that the lithography should be improved there.

I may say that I have an editorial here. I know that one should not quote from editorials and I will not purport to quote from any editorials published in the newspapers of this country. But this is one which I know the parliamentary assistant knows quite well. It is a little paper whose publisher boasts of the fact that he spells his name with both a small "l" and a large "L". I refer to the *Berwick Register*. He is commenting on this 4-cent stamp and he says something to the effect that it becomes an adventure in speculation to see the reason for picturing the muskox on Canada's 4-cent stamps. Then he goes on to say that the muskox is a lonely creature, that he lives away up in the north and wants to be left alone; and why anyone should ever depict his countenance on this stamp and depict it in the way in which it is caricatured is something no one could understand. I do not want to go into prenatal influences or anything of that kind, but I will say this, that if any one of the mothers of this country had to lick many of these stamps, I hate to think what the effect might be upon unborn generations with this ferocious glare which one sees in these stamps.

A year ago we were criticizing the department for the stamps as far as Her Majesty was concerned. I can understand how difficult it was properly to portray her. I think it would be impossible for anyone to catch the radiant beauty, the charm, the character and the quality of Her Majesty and portray those qualities on a postage stamp. That would be an impossibility. I do not criticize the department particularly with regard to that matter but, in all seriousness, I say with regard to this series of stamps on which these animals are now being portrayed, I wonder in the first place why we find this being done. I suggest both to the parliamentary assistant and to the acting minister, both of whom were teachers before they entered the political realm, that the atlases and the nature books of this country can portray more artistically, more effectively and more beautifully the natural life of Canada than it can ever be portrayed on a postage stamp. You have a beaver which is so large that, when you look at it, you are not quite sure whether it is a mountain lion or a beaver. You have an Eskimo paddling a canoe which looks like a toothpick, and the whole situation of trying to depict the natural life of this country on postage stamps is, I suggest, something which is ineffective. I should like to know just what the explanation is. The minister may say, "We wanted to give publicity to the wildlife of this country". The minister of northern affairs issued a booklet not too long ago in which there were beautiful reproductions of the wildlife of this country. They are much more effective than any which can be put on a postage stamp. When Canadian editorial writers refer to this stamp as one which is discreditable to Canada and offensive to the artistic sense of Canadians, I suggest that the department should reconsider this whole matter of trying to depict the wildlife or the natural life of this country on postage stamps.

There is a particular reason why I raise this matter at this time. One can be sarcastic and one can poke fun at these stamps, and I think one should do so because there is a justifiable criticism. I am told by philatelists

that the value of Canadian stamps has depreciated tremendously during the past two or three years because of the quality of reproduction we have had. There was a time not so many years ago—and the parliamentary assistant certainly remembers it and will be proud of it—when one of our Canadian stamps depicted the schooner *Bluenose*, a name which was remembered the other day in another connection. That was recognized throughout the philatelic world as one of the most beautiful reproductions that had ever been made. I am suggesting that in the quality of the work that is done today we are a long way removed from the quality of work which was done by the department at that time. This is a reflection on the artistic sense and the artistry and the professional skill of the engraver and the lithographer which I am sure is available to the department if they would make the proper inquiries concerning it.

I want to move from that to the matter which really motivates me in making this criticism. I am not interested in making criticism simply for the sake of criticizing, but I do wish to suggest that the department has been remiss in centring its activities on features such as that and missing the boat on other matters which should have been dealt with by the department. A year ago I raised this matter with the Postmaster General, and may I say here, as others have said, how sorry I am he is not with us and how much I hope that before too long he will be fully restored to health and back in this chamber. I discussed this matter with him at that time and we had rather extensive correspondence afterwards.

The Postmaster General was good enough to write me and to say that I had roused his interest in the historical life of the country to such an extent that he was authorizing the issue of a series of historical postage stamps which will come out some time in the future. I suggest to the Acting Postmaster General that more consideration should have been given to the matter of history prior to this. I can think of three particular events that in my opinion should have been recognized by the Post Office Department this year. It would have been much better to recognize them than to try to reproduce an Indian squaw nailing a deer hide to a frame while her husband sits smoking a pipe watching her do it. That may have some interest for tourists but I doubt it.

In Canada this year we are celebrating the 350th anniversary of the first settlement of white men north of the gulf of Mexico. It happened not in the United States but here in Canada, and happened in my own province and constituency. As a matter of fact the Postmaster General promised me he would issue a stamp commemorating that event but he said that after all they had these others in process and it would be two years before we could have the stamp I suggested available for distribution. We are celebrating the 350th anniversary in 1955 and although it will be a welcome tribute, shall we say, to see this stamp in 1957 it would certainly have been a lot better to have it in 1955. If you are going to continue the frankly and crudely cheap quality of the reproductions we see in our stamps today I still think it would not be too difficult to have a stamp issued between now and the end of 1955 to commemorate that event.

We are also celebrating the 200th anniversary of the return of the Acadians to the maritime provinces and the commemoration of their expulsion which occurred in 1755. Then there is another event which I would have thought would be of particular interest to the Post Office Department. I know it was brought to their attention by the Nova Scotia historical society. This is the 200th anniversary of the establishment of the first post office in Canada.

Mr. Knowles: The 100th of the first one in western Canada.

Mr. Nowlan: Well, 100 years from now we will celebrate the one in western Canada. But I would have thought the Post Office Department would have commemorated properly the 200th anniversary of the establishment of its own department, shall we say, because I have here extracts which appeared in the Boston *Evening Post* of April 28, 1755, announcing the fact that there was a post office in Halifax and that mails could be exchanged and circulated between Halifax and Boston. Many years ago the historic sites and monuments board, which comes under the jurisdiction of the Minister of Northern Affairs and National Resources, erected a plaque in Halifax commemorating the fact that the first post office was established in that city in 1755. As a matter of fact, the notice says, and it is of historic interest, that you will find the post office in "the first house without the south gate". You have to go out the gate and there is the house.

There are three events which I suggest, without any captious emphasis, should have been commemorated this year by a series of historical stamps. Although the Postmaster General is not here now—and we hope he will be back soon—he has said he is interested in this matter and I know there are others listening to me who are active in the administration of the department. I should

like to say to them in all kindness that I think we in this country are perhaps overlooking these matters of spiritual and cultural value and have been putting the emphasis on such things as the fur trade or wildlife, which may have a dollar and cents value. It may be a part of this materialistic concept on which I think we sometimes put too much emphasis. Perhaps it is because I come from an area where our roots are established—

An hon. Member: In wildlife.

Mr. Nowlan: We have our share of wildlife, too. Perhaps it is because I come from there and appreciate the value of history that I resent the way in which this country apparently is deliberately overlooking these matters which I think should be conserved and built up if a tradition of Canada and Canadianism is to be established as all members of parliament want to see it established. I will not labour the matter further, but I do urge upon the Acting Postmaster General that he review this matter and see if something cannot be done this year to commemorate these events to which I have referred. I also urge upon the administration of the department that in the future more attention be paid to our history. We have the historic sites and monuments board which the Minister of Northern Affairs and National Resources has reorganized and incorporated and which we hope will be a more effective force in the country than ever before. I believe it should be, and I think there should be the closest co-operation between the Post Office Department and the board so that national events such as the three I have enumerated, all of which, I suggest, are of national significance, will be properly remembered by the department in the issuing of commemorative stamps.

Mr. Pickersgill: Mr. Chairman, I think I have to assert my rights over the parliamentary assistant in this case for a reason that will appear in a moment. First of all, perhaps I should tell the hon. member for Digby-Annapolis-Kings that I am advised that the animal he mistook for a muskox was really the Acting Postmaster General listening to the speech of the hon. member for Notre Dame de Grace. I must say that the hon. member for Digby-Annapolis-Kings has touched me in a very sentimental spot. The only profession I have is as a historian, and I am very much interested in the commemoration of these historic events. I think one of the best ways to do so is with postage stamps which everybody can see. I am not quite sure what little influence I may have in the Post Office Department from time to time, but whatever influence I have there, if I ever have another chance to have any such influence, and whatever little influence I may have in the government will always be directed in that direction.

In my proper ministerial capacity I was also very pleased to be told by the new director of the national gallery only this week that for the first time, so far as he knew, the national gallery was now being consulted by the Post Office Department about the designs for their stamps. I think that is a move in the right direction.

Mr. Nowlan: It is.

Mr. Pickersgill: I also think the hon. member's suggestion about close consultation with the historic sites and monuments board is an excellent idea. But the reason I rose instead of letting the hon. member for Shelburne-Yarmouth-Clare rise was that I felt it was essential to disagree with the perversion of history that we had from Nova Scotia. Of course I know Nova Scotians will go on claiming that the first white settlement in North America north of the gulf of Mexico was at Port Royal, but we who are connected with Newfoundland know that when Humphrey Gilbert came there in 1583 there was already a settlement there and there has been one ever since.

Mr. Nowlan: I should have said a permanent settlement.

Mr. Coldwell: When is the stamp to be issued celebrating the golden jubilee of the two western provinces, Alberta and Saskatchewan? Have arrangements been made, and when may we expect to see the stamps?

Mr. Pickersgill: I understand arrangements have been made in that connection—

Mr. Nowlan: Probably in the historic series.

Mr. Pickersgill: —and I believe it will be about the time of the anniversary.

Mr. Garland: I am not as concerned with what is on the stamp as with the opportunity to use the stamp. I wonder if the Acting Postmaster General could say a word concerning the status of postal accommodation at air force bases. I want to apologize for delaying the committee by raising a matter of concern in my own riding, but I am sure similar situations must exist in many centres across the country.

Let me briefly outline the problem. The Department of National Defence has developed a very excellent air station at North

Bay involving a capital cost of several millions of dollars. Everything has been provided there in a splendid fashion. There are churches, a school, a recreational hall, theatre, grocery store and all of the services that are normally required. When they were providing these things they also made provision for excellent postal accommodation. This is a real community that has developed at that base. It is on behalf of the people living in married quarters there that I should like to say a word.

This excellent accommodation has been provided, but that is as far as it has gone. The Department of National Defence requested the Post Office Department to appoint a postmaster there. The Post Office Department refused, at least that is my information, to make such an appointment unless the facilities would be made available to the general public. The Department of National Defence naturally, and quite properly, resist making their facilities available to the general public. I believe this problem, arising between two departments of government, should be worked out.

In the meantime, the people living in the married quarters, and the single quarters as well, of course, are without the usual postal services such as being able to buy money orders, stamps, the facilities of the savings bank, registered mail, etc. These people must travel three or four miles into North Bay or Gateway post office, to get these services that all of us have a right to expect these days. I am aware of the role of the armed forces postal service, but it seems to me this matter should be reviewed by both the post office and national defence departments with a view to establishing regular civilian postal facilities for the people of this important, and I might say completely modern, establishment.

Mr. Dinsdale: The matter I have to raise tonight is a relatively minor, parochial matter compared to some of the issues the Post Office Department has been confronted with during these two days of discussion. I am genuinely sorry the minister is not able to be with us because I have been pursuing this subject with him now for two years. I believe he has been giving some serious attention to the problem, at least that was the impression I received during the discussion a year ago when we were considering these estimates.

The matter relates to the tendency for rural route deliveries in the prairie regions to decline. It affects my own constituency because from time to time a decision has to be made by the department to discontinue some of the rural routes that have been established over a considerable number of years. In each case, the explanation given is that in this day of the universal use of the automobile farm patrons tend to go to the local post office to pick up their own mail rather than depend upon the traditional rural route delivery service. I fully appreciate that situation. The other main difficulty seems to arise from the impassable nature of certain rural roads in the western rural section.

I would point out again, Mr. Chairman, as I pointed out when we were considering this problem before, the roads in the western rural areas have always been of a somewhat indifferent nature so that problem is not one that has arisen in the recent past. There are still a large number of farm patrons living in isolated areas who do not have an automobile and are not able to handle the delivery of their own mail. I raise the issue I suppose because I still receive complaints from my constituency about the matter. In one area in particular, the town of Reston, three rural routes have been discontinued. I have received a communication that indicates that during the past winter some of the farm patrons have had to wait up to three weeks for mail delivery. The answer given by the minister last year, as recorded at page 4763 of *Hansard* for May 14, 1954, followed my question as to what was done in regard to the discontinuance of these rural routes and the possible solutions the department may have in mind to facilitate the delivery of mail to these relatively isolated locations. At that time the minister replied:

> I am sorry but I have not that information available at the moment because some of these routes have been readjusted. But I will be glad to look into this matter and if I have not the time to tell him before the end of the discussion on the estimates I will give him this information personally.

Unfortunately, I did not receive that information so I am repeating the question again this year. Just what are the trends in so far as the discontinuation of these rural routes in the prairie regions is concerned? Has the trend continued during the past year and what solution, if any, is there for providing better mail deliveries to these isolated areas? Admittedly conditions in these districts are comparatively difficult. This is one of the reasons for the continuing exodus of the farmer from rural districts to the urban communities. This trend is particularly marked amongst the younger farm generation. If we are forced to discontinue postal services, that will only aggravate the problem of the de-population of our rural areas.

Closely related to this is another problem about which I should like to seek some information. This problem applies to the

house to house delivery in the rapidly growing suburban areas. It is a matter that comes to my attention from time to time, and invariably there seems to be some considerable delay before it is possible to provide house to house delivery in these rapidly growing areas around some of our expanding western communities. Then again we have certain areas in the west, particularly in the oil centres, where boom conditions prevail and where we have had a 100 per cent increase in population within the comparatively short time of three years. In one question that has come to my attention it has been pointed out that it is difficult to get the department to act by way of providing increased staff. If I mention the instance I have in mind I am sure the department will be aware of the problem, because it was a live issue around Christmastime last year. I refer of course to the town of Virden, Manitoba, which is the oil centre of our province. There was quite a furore over the lack of adequate staffing in that post office, which had resulted from the growth of population in the community in a short time to the extent of two or three thousand people. It may be, of course, that this was just a tempest in a teapot. However, I would ask just how quickly the department acts in meeting the difficulties presented to the postal service because of rapidly growing populations.

One final question. In the city of Brandon we have been waiting since 1951 for an extension to our post office. The matter has been under consideration for the past three or four years. I understand a promise was given, and I am wondering just how close to realization is the possibility of having very badly needed extended facilities in the Brandon post office.

Those are the only questions I have in mind. As I have said, perhaps they are parochial, but I would appreciate some information on these points.

Mr. Kirk (Shelburne-Yarmouth-Clare): Mr. Chairman, before replying to the last two speakers may I say a word in reply to some of the comments made by the hon. member for Notre Dame de Grace. In particular, he referred to a question he asked on March 25 about T-4 forms. I remember the question being asked, and I also remember having the answer prepared. Then, I remember his sending me a note across the floor of the house and, as I recall it, it was my understanding that he was going to ask his question again. He did not do this and, of course, the answer was not given. However, I was under the impression I had given the answer to him. Apparently I did not, and for that I apologize.

I now have the answer before me. However, I do not know whether all these details should be read into *Hansard*. I am happy to send them to the hon. member now.

Mr. Hamilton (Notre Dame de Grace): Let me say at once that the parliamentary assistant did in the corridor show me a paper with information on it, and then asked for it back. My request in this instance is that the explanation for this set of circumstances be placed before the house.

Mr. Kirk (Shelburne-Yarmouth-Clare): Anyway, the matter is somewhat clearer now than it was before. I must say that I thought I had given the information. However, these details are sometimes missed because when one is answering hundreds of questions one can forget minor things. My recollection is that the hon. member asked for information concerning income tax forms in relation to employees in the Montreal and Ottawa post offices. Then, in one of his notes he mentioned Montreal and Toronto. My information is as follows:

In Toronto the forms were duly processed in the Toronto post office after receipt from the treasury office and were all released on March 8.

In Montreal, according to information received from the postmaster, the forms were released as follows:

T-4 forms for regular salaries for full-time staff, March 18;

T-4 forms for the night differential for the full-time staff, March 18;

T-4 forms for the salaries of the part-time staff, March 18;

T-4 forms for the Christmas help, March 21;

TP-4 forms for the regular salaries for the full-time staff, March 18;

TP-4 forms for night differential for the full-time staff, March 23;

TP-4 forms for salaries of the part-time staff and Christmas help, March 23.

In Ottawa, all forms were released between March 1 and March 4.

Prior to this year of course these TP-4 forms which are required for employees in Quebec were not necessary. Prior to this year the night differential was liquidated in time, that is, by hours off rather than in dollars and cents.

Then, one other point; there is a month's delay in figuring out the actual overtime and the amount that has to be paid to an individual for overtime. All this meant additional forms to be made and to be filled out. Apparently it was not possible to do this

with the same size of staff as quickly as it was done in the previous years.

The answer is quite obvious: Either the regulation has to be changed or additional staff must be added to get them out that much earlier. I hope I have given the hon. member all the information he requires.

In reply to the hon. member for Nipissing, may I say I understand there is an agreement between the Department of National Defence and the Post Office Department whereby in those cases where the camps are what are generally known as closed camps the Department of National Defence supplies the staff; and in those camps known as "open" camps, the Post Office Department supplies the staff. However, may I suggest that in this particular case I shall be glad to look into the matter and try to give the full details next week.

In reply to the hon. member for Brandon-Souris, I would say there is a trend over a period of years for the number of rural routes to increase, for the mileage based on the daily service to increase, and for the number of rural mail boxes to increase. However, in changing times, with more people having motor cars, with more people moving off farms, with some roads not being kept up as well as they were, while others are being kept up better, there will, of course, be rearrangements in routes. Each case has to be studied on its own merits.

With regard to his question about suburban areas, I think the hon. member will find that his question was answered this afternoon.

I am sorry I cannot give any definite information regarding the problem at Virden, or the particular problem in Brandon. I think he knows however that I shall be very happy to look into both of them. I hope he will not expect me to give the information to him next week, because I am going to visit the province, of which he is so proud, and the week will be a short one so far as my stay in Ottawa is concerned.

Mr. Dinsdale: Is it possible to say whether there will be any rural routes discontinued this year?

Mr. Kirk (Shelburne-Yarmouth-Clare): I think the only answer I can give is that no doubt some will be discontinued, and that there will be many new ones. Again it will depend on the individual situation, but if the hon. member has a specific case in mind I would be glad to look into it.

Mr. Dinsdale: Nothing but rumours. On the specific Brandon point, I was referring to the matter of additional post office facilities in the form of a new buiding. Has the post office no information on that development?

[Mr. Kirk (Shelburne-Yarmouth-Clare).]

Mr. Kirk (Shelburne-Yarmouth-Clare): The only information I have at the moment is that plans are under study. More can be obtained as soon as I have a chance to look at the file.

Mr. Weir: In line with the exchange of discussion a while ago with respect to stamps, may I ask the parliamentary assistant if the department has prepared a stamp bearing the picture of the whooping crane, a migratory bird, which has become almost extinct. Might I say in that connection that sportsmen in the game and fisheries association of Manitoba have taken a good deal of interest in this. In fact one of them sent in a drawing of what he thought would be a suitable design for a stamp to commemorate the whooping crane, a procedure which was looked upon as a very patriotic effort on his part, and one which might help to preserve this bird from extinction. Can the parliamentary assistant say whether anything of that kind has been accomplished?

Mr. Kirk (Shelburne-Yarmouth-Clare): I understand that a stamp depicting the whooping crane has been issued, and no doubt it was done as a result of the representations made by people who are as interested in the subject as the hon. member who has spoken.

Mr. Purdy: Mr. Chairman, in the old days when we went to a burlesque show we would hear the song, I Wonder What's The Matter With the Mail; It Never Was So Late Before. I do not suggest that this is a burlesque show. I do not wish to say that this is the general song which is being sung by my constituents in this day and age. Nevertheless, it is a song that some of them must sing, and on their behalf I should like to say a word tonight. One group is rather recent, and I drew it to the attention of the department yesterday. The other group, however, consists chiefly of the residents in and around the suburbs of the hub of Nova Scotia, namely Truro. They have been singing this song for more than a year. In fact, they have been singing it ever since the new regulations went into effect a year ago last April. A few years ago these people received two mails a day. Then they got one mail delivery a day, which was not too bad. Then they were asked to pay another cent for postage, and instead of getting an improved mail service or a service which was at least as good as they were receiving before, they are getting their mail much later in the day.

I should like to say right here that the fault does not lie with the local postal authorities. We know they have gone as far as they can, and they have done everything possible having regard to the regulations

under which they must work. The problem rests right here in Ottawa, and with the Acting Postmaster General, his assistant and his departmental officials. To give our people as good a mail service as they had, to which they are entitled, the department must give them a little larger staff. On behalf of my constituents I make that plea.

Mr. Hamilton (Notre Dame de Grace): There are two or three questions which remain to be cleared up. I would say in answer to the parliamentary assistant's observations tonight that all these forms to which I had reference should be filed by February 28; if not, the government assesses a penalty on the business firms not doing so. I can only hope that one department of the government is not collecting any penalty from another department in this particular case. I also hope that the same excuse which he gave to the committee, namely, that they did not have the opportunity to make it ready, will be acceptable to the Department of National Revenue with respect to all the other business firms across Canada if they choose to file between the middle and end of March.

Having said that, I should like to take the questions which I have asked to which answers have not been forthcoming and deal with them one at a time. I hope the Acting Postmaster General will not get mental indigestion by my so doing, which seems to trouble him at times. First of all, will he give us an explanation of the increase in travelling expenses in his department which have approximately tripled? They have risen from $35,000 to $100,000.

Mr. Kirk (Shelburne-Yarmouth-Clare): With respect to this item of $100,000 for travelling expenses, provision is made for travelling and living expenses of the Postmaster General, the parliamentary assistant, the deputy postmaster general and their staffs; the directors of administration and personnel and their staffs, who are required to travel on post office business, and includes those on training courses.

I might mention the training courses, which should explain the reason for the increases to which the hon. member has referred. A new management training plan has been put into effect, which calls for 16 new positions. Training courses are being put on at the Peterborough post office. There is also the travelling and living expenses for the investigation staff of two senior and three field investigators. These are changes, Mr. Chairman, that were recommended by the Woods-Gordon report.

Mr. Hamilton (Notre Dame de Grace): I understood the parliamentary assistant to say that the primary reason for the increase in travelling expenses is those management training courses.

Mr. Kirk (Shelburne-Yarmouth-Clare): Yes.

Mr. Hamilton (Notre Dame de Grace): That is rather interesting. The parliamentary assistant told me that 16 people are taking the courses. There are 16 management trainees, and the increase in the expenses amounts to $70,000, which is roughly $4,000 per management trainee for travelling expenses alone, according to the answer just placed on the record.

Mr. Kirk (Shelburne-Yarmouth-Clare): I wonder whether I might correct that? I think there is a misunderstanding. With respect to these 16 training positions, we bring in 16 men and train them for a period. Someone else must replace them while they are in Ottawa. Then we bring another 16 to Ottawa or Peterborough, and another 16, and so on.

Mr. Hamilton (Notre Dame de Grace): The details in the estimates mention 16 management trainees. They are listed as new positions. That jibes exactly with what the parliamentary assistant told us the first time. I put the question, and he said yes. As soon as he sees where it leads him he says no. Is he going to give us a further explanation? Surely, it is not $4,000 a year for travelling expenses per man. That is rather steep.

Mr. Kirk (Shelburne-Yarmouth-Clare): Sixteen people are brought in, and when you bring them in for training someone else must replace them. That requires 16 new positions. The trainees are changed 3 or 4 times a year.

Mr. Hamilton (Notre Dame de Grace): The answer is unsatisfactory, but I shall not pursue it any farther.

An hon. Member: You do not understand English.

Mr. Hamilton (Notre Dame de Grace): I wish the Postmaster General and his assistant understood English as well as I do.

Let me take the next point, Mr. Chairman. During the afternoon we were led to believe that the $5 million surplus in the post office this year was largely owing to the fact, or certainly partially owing to the fact, that the expenses incurred in one year were to be paid in another year. May we have an explanation of that, because it is hardly sound accounting practice.

Mr. Kirk (Shelburne-Yarmouth-Clare): While we are looking for the particular paper which contains the various items, may

I say this. In previous years the items carried over did not approximate $700,000.

Mr. Hamilton (Notre Dame de Grace): While the minister and his assistant are looking for the paper, perhaps I could receive more detail on the point which was raised this afternoon regarding thefts from the post office. It would be helpful to the committee if the parliamentary assistant could point out what effort is being made to improve this situation so that four out of five people who steal from the post office will not get away free.

Mr. Pickersgill: I think I can answer this question. This return shows every theft that has been made from the post office so far as they have been discovered. As every hon. member who has any experience in these matters knows, sometimes, especially where the thefts are committed by an employee of any organization, these thefts may go on for quite some time before they are discovered. Sometimes they are not discovered at all. Sometimes people who are responsible for these thefts are never discovered, especially when the thieves are people who break in and steal. I know this from personal knowledge because when I was a small boy my father was a postmaster and almost the last day before his resignation was accepted so that he could go to the first war the post office was robbed of quite a considerable amount of money, every cent of which he had to make up.

An hon. Member: Did they catch the thief?

Mr. Pickersgill: Never; no trace was ever discovered of him. This happens quite frequently in thefts from the post office, as in other thefts in the country. The Post Office Department does exactly the same sort of thing as any other prudent organization does. It takes the best precautions it can to prevent such thefts. When any thefts are discovered, the police are informed at once and given any information that will assist them in finding the thieves. Whenever the thieves or suspects are found who can be charged, where there is enough evidence to warrant a prosecution, the department of government which has the responsibility is asked to prosecute. Of course, prosecutions for theft are carried on by the appropriate authorities which have the responsibility. I can assure the hon. member that the Post Office Department does not want to have money stolen from the post offices, that we do not encourage this practice and that we do everything we reasonably know how to discourage it. As far as the prosecutions are concerned, the Postmaster General's report for the year ending March 31, 1954, at page 5, gives the statistics that there were 305 prosecutions that year, 229 convictions, 7 acquittals, and 69 cases still in court. It sometimes happens that it is a long time before the thief is discovered. These things do happen, but I can assure the committee, as I am sure most hon. members believe, that every possible effort is made to remove the temptation to theft in the first place, to remove the possibilities of it within practical means, and if there is any possible way of finding out who the thief is, to prosecute him.

Mr. Michener: Mr. Chairman, I wonder if I might ask the minister a question, arising out of his reference to the report for 1954. I may have been negligent in not getting that report, but I have not received a copy of the report. When I was preparing for these estimates and considering them I looked among the reports and found that the last one was March 31, 1953. I should like to ask when was the report tabled and when was it printed, and has it been distributed?

Mr. Pickersgill: It was tabled in January. Though I was the minister for the printing bureau, I do not know whether you would call it mimeographed, but it is not printed. There were only a few copies available at that time. I regret to say that between the Post Office Department and the printing bureau it has not yet been printed in quantity and distributed, and I am very sorry for that. I think perhaps there has been a little negligence in the matter.

Mr. Michener: I am glad to share that opinion.

Mr. Hamilton (Notre Dame de Grace): I wish to refer to another point. I hope that the minister and his associates are still looking for the information in respect to the $5 million. I do not want them to forget that. This afternoon we asked for further details as to why it should be more costly to have two deliveries of mail a day for five days a week than one a day for six days a week. I wonder if we could have some more information on that.

Mr. Kirk (Shelburne-Yarmouth-Clare): With regard to the first question, the amount of the accounts payable that did not come in time to be paid at the close of the fiscal year are in round figures; printing, $200,000; mail bags and sorting cases, $350,000; uniforms, $50,000; electronic projects, $30,000; facing up tables, $20,000; miscellaneous bills, $50,000. As regards the second question, I do not know what I can add to what I said this afternoon to show that, if you make ten trips a week, it cannot be done as cheaply as when you make six trips a week.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, I should like to put on record the very startling discrepancy between the annual report of the Postmaster General which shows 305 prosecutions and the return filed in this house which shows 23 prosecutions.

Mr. Pickersgill: I think the answer is that these were prosecutions for all sorts of reasons. I am not sure they are for the same year.

Mr. Hamilton (Notre Dame de Grace): The figures for 23 prosecutions were for the same period as quoted by the report. Your parliamentary return shows 23 prosecutions, and you show in the annual report 305 prosecutions. It is quite apparent that the discrepancy is largely due to the fact that you are prosecuting for such things as forgeries, defacing, used stamps and miscellaneous. I felt that we should put it in the record. I do not want anybody to be in a position to weasel out of the statement I made here that four out of five thefts and robberies in the post office at the present time are going unprosecuted. In that connection the minister has told us that they lay an information with civil authorities in the case of such a theft. Have they no investigating body of their own? They have not followed through when something is stolen. When something is stolen from you, you do your best to discover what happened?

Mr. Pickersgill: Of course, investigations are carried on all the time.

Mr. Hamilton (Notre Dame de Grace): Would the minister not say he has been markedly unsuccessful in the operation of this particular department when he is only catching the thieves in one case out of five?

Mr. Pickersgill: I would not be able to say whether it is markedly unsuccessful or not. It is obviously very difficult to prosecute someone whose identity you cannot establish. It is sometimes considered by the law officers quite useless to attempt to prosecute someone, even though you may have a very strong suspicion that he is the thief, when the evidence is so slender that the prospect of getting a conviction is very slight. Sometimes that is done, even in those cases when the department or the crown attorney, as the case may be, feels strongly that the person is the guilty person and it is felt that we ought to try to establish the guilt. In many of these cases there may be a suspect, but the evidence is very slight. Many of these thefts are of very small amounts in very remote places where the obtaining of evidence is not very easy. In a great many of these cases, as in the case I instanced out of my personal knowledge, there is no suspect at all.

Mr. Weir: Mr. Chairman, is there not another side to this? I have heard of cases where someone, perhaps an employee of the Post Office Department, committed an indiscretion and perhaps was found to have stolen some of the post office funds under circumstances which could not be accepted at all, but maybe there was some circumstance in his family and, having regard to the amount and the circumstance in which the theft took place, I am sure there are instances where the community has interceded on behalf of that person to avoid a prosecution and to ask the department not to prosecute. Maybe that is not right but it seems to me that I have heard of more than one case where a veteran, as an illustration, has been involved and where they lost their jobs but made complete restitution. In those cases, judging from the circumstances, I believe the department was justified in not continuing with the prosecution. That would explain some of the discrepancies my hon. friend mentions.

Mr. Hamilton (Notre Dame de Grace): Just in case that impression should be left with the committee of a great humanitarian government which is not prosecuting because they are sorry for people, let me tell you of some of the prosecutions they have made. In Insinger, Saskatchewan, $3.29; one person was prosecuted and got 2 years and 4 months. In Windsor, province of Quebec, $7.05; 2 people were prosecuted and they sent 2 juveniles to the detention home. Copper River, British Columbia, $13; 3 people were prosecuted and each got a 2-year suspended sentence.

Mr. Lesage: In this case was there any housebreaking?

Mr. Hamilton (Notre Dame de Grace): These were thefts from the post office.

Mr. Lesage: With housebreaking?

Mr. Hamilton (Notre Dame de Grace): I should be delighted to file another request for a return in order to get this information but I think perhaps the minister might be able to obtain it for himself. I am quoting from information filed with the house at my request. If the minister is not satisfied with the information or thinks that it is insufficient, I leave it with him to get more. I have enough for my purposes.

Here is another one in Gwynne, Alberta, where for $2.38 they prosecuted and the man

got two years. Then in Oakbine, New Brunswick for $7.67 they prosecuted 2 people. One man got a 1-year suspended sentence and the other was sent to a training school. I could go on down the list but I will not do so. However, I felt that the previous speech indicating humanitarian consideration should be knocked on the head immediately because it just is not so in these cases. If you analyse these thefts you will find that what is happening is that the great majority of prosecutions are in respect of amounts less than $100 and that few prosecutions are in respect of major amounts. I would not suggest that a man should consider stealing $2, $3, $4 or $5 from the post office, because he is likely to be prosecuted. If he really wants to stand a fair chance of getting away free, let him steal $20,000 or, as my friend suggests, $44,500, and then he stands a good chance of getting away free.

Mr. Pickersgill: Mr. Chairman, I really must protest. Is the hon. gentleman suggesting that there is any deliberate intent on the part of anyone connected with the Post Office Department to connive at these thefts or any failure by anyone to do his duty in prosecuting? If that is the innuendo, let him state it openly because there is not a jot or tittle of truth in it.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, I may just say that my previous observation was made because the hon. member for Portage-Neepawa—and I am glad his words are on the record—had definitely indicated that the department might be conniving and might be doing these things because of a particular situation in a particular instance. I felt that we should show that the department was prosecuting in the few cases where their investigatory work had managed to show up something. My criticism among others is the extremely weak investigatory work on the part of the department. The minister says that he cannot prosecute anybody unless they find the man. I suggest that they are spending a good deal of money apparently on investigatory staff. They are supposed to be doing this job and they are just not finding the people who commit these crimes. But let me not be blamed for the words of the hon. member for Portage-Neepawa.

Mrs. Fairclough: While we are on this subject, Mr. Chairman, perhaps the Acting Postmaster General would enlighten the committee as to the situation with regard to losses in the Post Office Department and responsibility therefor. A few minutes ago he made some reference to losses which had been made up in some years past, I take it, by a member of his own family. Perhaps he would tell us under what circumstances postmasters are now required to make restitution for losses by reason of theft or robbery.

Mr. Kirk (Shelburne-Yarmouth-Clare): I understand that there are certain rules and regulations which the postmasters are supposed to follow with regard to the protection of the funds in their charge. If the losses take place because they did not follow those rules or in other words if they did not give the funds the protection they are supposed to give, then it is their own personal responsibility.

Mrs. Fairclough: From what knowledge I have of industrial and commercial procedure, I am led to make the observation that most employees in industry and commerce today are protected by bond or are protected by insurance against robbery or theft and that if circumstances occur that are seemingly beyond the control of the individuals or even if there is some slight element of carelessness on their part, a thorough investigation is undertaken by the company which has them insured. I presume that in the Post Office Department run by the government they follow the policy of what is generally known as carrying their own insurance.

Mr. Kirk (Shelburne-Yarmouth-Clare): That is right.

Mrs. Fairclough: But it would appear as though, under their own insurance, they did not pursue an investigation to the point of exonerating a postmaster from blame.

Mr. Pickersgill: As a matter of fact, from my own experience as Acting Postmaster General I can say that every week I sign three or four recommendations to the treasury board to reimburse postmasters because of various things that have happened such as fires, thefts or things of that sort, where an investigation has been made and the postmaster has carried out the precautions that are laid down in the regulations. In those circumstances the department accepts the loss but where there is carelessness or disregard of the regulations which all postmasters, of course, are supposed to be familiar with, then the blame is theirs. That is the law as it now is. Although I do not think any of us would have them right here under our hands, I should be glad to get for the hon. lady from Hamilton West the regulations setting out the circumstances in which the department takes responsibility and the circumstances in which the postmaster is held responsible.

Mrs. Fairclough: I would be much more interested in a comparison of those regulations with those which are in force in some reputable bonding or insurance company.

Mr. Pickersgill: We might try to make such a comparison.

Mr. Knowles: I have in my hand a photostat that I should like to show to the Acting Postmaster General.

Mr. Pickersgill: Oh, no!

Mrs. Fairclough: Have you any copies?

Mr. Knowles: I heard the Acting Postmaster General say, "Oh, no" in a very pained tone of voice. I hasten to assure him that there is no secret as to where I got this photostat. It was sent to me by an official of the Manitoba Historical Society in Winnipeg. I want to send this photostat across so the acting minister, the parliamentary assistant and the officials may look at it because of a question the Acting Postmaster General asked of me on February 28. It has taken me almost as long to provide the answer to the question as it takes the government to answer some of the questions we put on the order paper. On February 28, in reply to a question I had asked on the orders of the day about the celebration of the 100th anniversary of the opening of the first post office in western Canada, the minister said this:

> . . . I would like to know what kind of postage stamps they used, and if the hon. member could supply me with some, because I could make good use of them.

I may tell the minister that I can only let him see this. There is a stamp collector in my home as well so that is where it must go after he has seen it. This happens to be a photostatic copy of a cover, as they say in the post office, which went from Red River, B.N.A., in 1855, to Mr. James Ross at Knox's College, Toronto, Canada West.

Mr. Martin: It is not Knox's college; it is Knox college.

Mr. Knowles: The Minister of National Health and Welfare seems to delight in interrupting me, and he delights to do it particularly when he is wrong. I would be glad if he would look at this photostat, too. In fact, the season is open for showing photostats to all ministers of the crown. It so happens that the person who addressed this letter to Mr. James Ross addressed it to him at Knox's college—K-n-o-x-'-s. This was before the minister's day.

Mr. Martin: Your pronunciation was bad. I knew there was something wrong.

Mr. Knowles: This was in 1855. We have had the minister around for a long time but not that long. "Red River" was of course the name of the settlement where we now have the thriving city of Winnipeg.

Mr. Bryce: Selkirk. Keep the record straight.

Mr. Knowles: I am afraid the point in the Red River settlement from which this letter was mailed was at the foot of what is now Market street in the city of Winnipeg. My friend from Selkirk and I can, of course, carry this on later. "B.N.A." refers to British North America, the province of Manitoba not having yet been organized at that time. As for the specific question—

Mr. McIlraith: Let us get on with the public business.

Mr. Knowles: —that the minister asked me, namely, what kind of stamps they used, the reply is that they did not use any stamps. In place of affixing stamps this envelope was stamped twice with a rubber stamp. First there are the words "Paid 10", which the Manitoba historical society has determined means that 10 cents in United States money had been paid to cover the cost of delivering this letter all the way from Red River to Toronto. The route taken was down through Pembina and then to St. Paul, Detroit, Windsor and Toronto. There is also stamped on the envelope "6d" or six pence in a circle surrounded by the words "United States". Research seems to have ascertained that this was the way the United States postal authorities had of telling the Canadian postal authorities between Windsor and Toronto that the postage which had been paid included the Canadian postage which at that time was in sterling. As a matter of fact, I have on my desk some documents in which the minister may be interested giving still further history of what went on in those days.

I am happy to send this over to the minister in response to his question of February 28 so that he and those associated with him can have a look at it. I am still sorry that the department did not find it possible to commemorate this event by the issue of a special stamp. However, some of us are doing our best to commemorate it in another way by attending certain events which will take place in Winnipeg on Tuesday of next week.

Mr. Gagnon: Mr. Chairman, in his speech yesterday the parliamentary assistant to the Postmaster General said, speaking about the building program of the department, that there are 181 projects for which plans are being prepared and studied further, both by

the public works and post office departments. I should like to know if the Chicoutimi project is included in that figure.

Mr. Kirk (Shelburne-Yarmouth-Clare): In public works?

Mr. Gagnon: The parliamentary assistant said yesterday that there are 181 projects for which plans are being prepared and studied further, both by the public works and by the post office departments. I should like to know if the Chicoutimi project is included.

Mr. Kirk (Shelburne-Yarmouth-Clare): The hon. member for Brandon-Souris asked me a question about a building in his area, and unfortunately I did not have the details then. I promised to find out for him the first chance I have next week, and all I can say to the hon. member for Chicoutimi is that I will be very happy to do the same for him.

Item agreed to.

335. Operations—including salaries and other expenses of staff post offices, district offices, railway mail service staffs, and supplies, equipment and other items for revenue post offices, also including administration, $82,103,422.

Mr. Robinson (Bruce): I should like some information under this item. What plan is followed in connection with placing telephones in smaller post offices such as are found in towns of 2,000 to 4,000 people?

Mr. Kirk (Shelburne-Yarmouth-Clare): I am informed that telephones are placed in all staff offices.

Mr. Robinson (Bruce): Can you explain what you mean by staff offices?

Mr. Kirk (Shelburne-Yarmouth-Clare): It is based on the revenue of the office. Speaking very generally, you might say that if the revenue is $10,000 or over you will find the offices have telephones.

Mr. Robinson (Bruce): I take it there is probably a table or schedule that could be followed.

Mr. Kirk (Shelburne-Yarmouth-Clare): If the hon. gentleman will let me know the particular office he has in mind I will be happy to find out for him.

Mr. Robinson (Bruce): Thank you very much.

Mr. Herridge: Mr. Chairman, I rise to deal very briefly with a matter that has become somewhat of a hardy perennial as far as some of my constituents are concerned. But I must raise it again as they are concerned about it and are suffering great inconvenience because my repeated representations have not received favourable consideration to date. For over 50 years the Post Office Department carried on a very satisfactory mail service on the Arrow lakes, but a few years ago the officials saw fit to discontinue it. For the greater part of the region they made other very satisfactory arrangements through bus transportation, to Edgewood, and steamer service or other water transportation to serve the lower lake. However, the discontinuance of the former service has meant a great deal of inconvenience to some of the residents of the city of Revelstoke and in the district between Revelstoke and Edgewood. Because of this situation there have been representations made to me by boards of trade, farmers' institutes, fruit unions, lumber companies and many individuals, including some of the relatives of the parliamentary assistant who also support me wholeheartedly in my representations on this matter. I hope the parliamentary assistant will answer me satisfactorily because I am going to send *Hansard* to my constituents on Monday morning.

At any rate, this matter is of great concern to a number of my constituents who consider they are unnecessarily inconvenienced. The provincial government taxation and other offices are situated in the city of Revelstoke, and there is considerable correspondence between points on the lake, particularly from Edgewood north, to Revelstoke on the part of business people, lumber concerns, farmers and the residents generally. Under present conditions a letter posted in Nakusp has to go to Nelson by truck, from Nelson to Calgary by Canadian Pacific Air Lines and then from Calgary along the main line of the C.P.R. to Revelstoke, and this takes at least three or four days. As a matter of fact, it often takes up to ten days to get a reply to a letter sent from the Upper Arrow lakes to Revelstoke or vice versa.

This is a great inconvenience when it comes to paying taxes and dealing with the various branches of the provincial government at Revelstoke. I have been asked to urge the minister and his officials again to give consideration to making arrangements for a mail bag to go between Revelstoke and Nakusp twice weekly. For a short time, because of the discontinuance of the former C.P.R. steamer service, there was no service on the Arrow lakes, but now we have a service running three days a week between Arrowhead and Nakusp in the summer and in the winter months twice weekly. I urge the minister that consideration be given to providing for the carrying of a mail bag from Revelstoke to Nakusp, and return. When the mail reaches Nakusp it can then go on to Edgewood and lower points the following

day by bus, and from Edgewood back to Revelstoke the same way. This will be a great improvement in mail service. I cannot understand why it would involve a large expenditure. In that connection I want to point out to the minister's officials that in the area I have mentioned there was produced several million dollars' worth of forest products last year. I do think that the representations of the organizations in the district, and the many individuals, including the relatives of the parliamentary assistant, should receive favourable consideration.

Mr. Kirk (Shelburne-Yarmouth-Clare): May I say that the hon. member who has just spoken is always so kind and courteous that one feels one should immediately carry out his particular request. In this case I wonder if I might take a moment to tell him that I knew he was very fortunate, and I think the whole house should realize by now how fortunate he is, that a relative of mine should be a neighbour of his.

Mr. Herridge: They have been good neighbours for nearly 50 years.

Mr. Kirk (Shelburne-Yarmouth-Clare): I would certainly expect them to be good neighbours, just as I know they have good neighbours. We have recently appointed a transportation officer whose particular duty it is to look into situations such as this. In view of the representations, and in view of those particular circumstances the hon. member has mentioned, we might go so far, without being unfair to anyone else, as to ask him to look into that case as quickly as possible.

Mrs. Fairclough: There is a curious situation shown in the details on pages 444 and 445, which I should like to have explained. It rather looks as though there is an increase in the post office staff of approximately 1,000 persons. There are some 170 less railway mail clerks than formerly, resulting in a net addition to the staff of some 800 persons. Despite this fact, when we come down to the payment for unemployment insurance contributions we find the appropriation is precisely the same as it was last year. Is there any explanation for that?

Mr. Kirk (Shelburne-Yarmouth-Clare): I believe the only brief answer I can give to that is that unemployment insurance is only paid in connection with temporary employees.

Mrs. Fairclough: You expect those to be in the same numbers as they were in former years, I take it? Then, the net increase of 800 persons shown is in permanent employees, is that correct?

Mr. Kirk (Shelburne-Yarmouth-Clare): Yes, I think that is correct.

Mrs. Fairclough: I have another question. I find the appropriation for uniforms and letter carriers' satchels is double what it was last year. Does that mean this is the year when they get uniforms, and if so, has any consideration been given by the department to my suggestion of last year that this time they should make the uniforms fit?

Mr. Pickersgill: That is a good idea.

Mr. Kirk (Shelburne-Yarmouth-Clare): The answer is in the affirmative to both questions.

Mrs. Fairclough: We shall see.

Mr. Hamilton (Notre Dame de Grace): In the details on page 445, there is an item I want to mention. I have been somewhat critical of some aspects of the post office operations, but I should like to say that in one case, that is mail bags, there has been a reduction of some $200,000. I feel that is a credit to the department. I know how it came about. It came about through the use, as I remember, of nylon in place of the old cotton material. I believe the Canadian postal department was ahead of other places in this development. It displays good forward-looking thinking.

Now, there are one or two other items about which I should like to ask. On page 445 of the details there is shown an expenditure of $4,302,000 for casuals and others. What does that represent? Perhaps I could make the question a little plainer by asking: What type of person is that being paid to? Is it a part-time employee or a regular employee?

Mr. Kirk (Shelburne-Yarmouth-Clare): This amount covers casual and other employees, and refers chiefly to the additional staff we have to put on during the Christmas rush.

Mr. Hamilton (Notre Dame de Grace): That is what I thought it was. Let me say that I am the first person to admit that at Christmastime, certainly in my area, many people come to me and say they would like to have a letter of introduction to the post office to get a special job. I give them a letter which gives their name and address, and pass them on to the Post Office Department. None of the people covered by this item are regular civil servants. I believe it should be mentioned that this is the type of thing that we have to watch very carefully because it represents an opportunity for patronage. We have here an amount of $4,302,000, which, by selecting carefully the people who were paid, could amount to quite a contribution to the government's friends if they so wished.

Now, would the parliamentary assistant like to explain the item of $1,400,000 for night differential payments for operating services? It is a new item this year. Since it is only a small amount it might have escaped the minister's attention.

Mr. Kirk (Shelburne-Yarmouth-Clare): I mentioned earlier that the night differential is now paid in money rather than in time off. It is a new item because of that.

Mr. Hamilton (Notre Dame de Grace): There is another item farther down, professional and special services, $132,825 in 1954-55 and $481,000 in 1955-56. This represents an increase of about three and a half times. I think it would be helpful if we could have an explanation of this increase.

Mr. Kirk (Shelburne-Yarmouth-Clare): The main item in this amount is for studies and research on the electronic project which is being accelerated. It has now been advanced far enough to justify the installation of a prototype electronic sorter in the Ottawa post office. This item also allows for the construction of the automatic facing-up installation to which I referred earlier today.

Mr. Hamilton (Notre Dame de Grace): Along the lines of my earlier question regarding the employment of casuals, could the parliamentary assistant inform the house as to what part of his departmental payroll is in respect of people employed through regular civil service channels and what part for people who are employed through other than civil service channels? We have already located some $4,300,000 in one item. What other payments in respect of staff does his department make which are not in respect of people employed through the civil service?

Mr. Kirk (Shelburne-Yarmouth-Clare): It covers, as I mentioned earlier, Christmas help and it also covers people who are taken on to allow a postmaster in some of the smaller offices to take holidays.

Mr. Hamilton (Notre Dame de Grace): Could the parliamentary assistant tell us how many people are permanent and how many are temporary who are covered by this item? I know he has just said it covers Christmas help, and obviously they are temporary. I suggest a certain number of those people are permanent.

Mr. Kirk (Shelburne-Yarmouth-Clare): All casuals are temporary.

Mr. White (Middlesex East): There are two questions I should like to ask the parliamentary assistant. I notice in this report that the estimated total expenditure for this year is $133 million. What would be the gross estimated income? I intended to ask concerning the possibility of introducing the highway motor trucks similar to the railway carriages, by way of experiment. Have any investigations been carried on by the Post Office Department along these lines, and when and where will they be tried out?

Mr. Kirk (Shelburne-Yarmouth-Clare): This afternoon I thanked the hon. member—it must have been in his absence—for his interest in this new type of motor vehicle, and explained that our inspectors had looked them over in the United States and had travelled in them. I said that we have been watching developments with some interest, and that if and when the time should come when we could put such vehicles into service economically we would be only too happy to do so. I would not like to commit myself as to the last part of his question, and I am sure he does not expect me to do so at the moment. In reply to his other question may I say that the estimated revenue, in round figures is $155 million.

Mr. Robinson (Bruce): At page 441 of the details there is an amount of $192,000 for films, displays, advertising and other informational publicity. What types of publicity does this include, and what is the necessity for it?

Mr. Kirk (Shelburne-Yarmouth-Clare): The hon. member is referring to films, displays, advertising and other informational publicity. This item covers postal exhibits, displays and floats, photography, meals of employees while on duty at these postal exhibits, promotional signs, and householder leaflets which we circulate in large cities with regard to Christmas mailing. Our whole object is to enlist public support and request partial sortings at points of mailing. The benefits are twofold, the first being that of speeding up delivery, and the second that of reducing costs.

Mr. Robinson (Bruce): The purpose is to educate the public around Christmastime. Is it to try to speed up early mailing during that season of the year? Does it require $192,000 to do that?

Mr. Kirk (Shelburne-Yarmouth-Clare): It covers all the films, displays, advertising and informational publicity across Canada. One of the most important points is trying to teach the people to address mail properly, to mail early, and to have large organizations arrange their mail in such a way that it can be handled more quickly. It also includes putting up signs in post offices, and the like.

Mr. White (Middlesex East): Did I understand the parliamentary assistant to say that the estimated income of the department was $155 million?

Mr. Kirk (Shelburne-Yarmouth-Clare): That is right.

Mrs. Fairclough: I am very much surprised by this statement. I remember that last year when we were discussing in the house the increase in postal rates the Postmaster General, with the assistance of two other members of the cabinet, tried to convince the house that the post office would operate this year at a loss. If my recollection is correct, without having before me the figures placed on record at that time, there were estimates varying all the way from $6 million to $14 million. Now we find that in the actual appropriation for the department for the current year the estimates are merely some $3,500,000 more than had been appropriated for the year before. If the minister's estimate of revenue for this year is anything approaching correct he is going to have a surplus of $17 million. Yet on this basis the government insisted it was necessary to raise the postal rates last year.

This comes as a surprise to me, but it bears out the validity of the arguments we made last year against raising postal rates. I could not let this opportunity pass without placing these remarks on record. I think what was said last year must now be given its proper value in the minds of Canadians. The position is an absurd one, based on poor budgeting, to say the least.

Item agreed to.

Loans, investments and advances—

543. To extend the operation of the revolving fund established pursuant to vote 541, Appropriation Act, No. 4, 1954, for the purpose of acquiring and managing materials and fittings to be used in the manufacture of mail bags, the total amount to be charged to the revolving fund at any time not to exceed $695,000; additional amount required, $270,000.

Mr. Hamilton (Notre Dame de Grace): Before the departmental estimates are completed, I should like to make one observation which harks back to an earlier item. I refer to the interesting discovery that $100,000 by way of travelling expenses—

The Deputy Chairman: Order. The item to which the hon. member is now referring has already been passed. I would be prepared to have the discussion continue under item 543; but if the hon. member wishes to discuss items that have been carried, the consent of the committee would have to be obtained. The administration item was signed half an hour ago.

Mr. Hamilton (Notre Dame de Grace): My impression may be wrong, but I understood that when we had gone through the department we could make some further observations.

Mr. Pickersgill: We have tried to be patient with the hon. member, and I think we must insist upon observance of the rules.

Mr. Drew: Oh dear, dear!

Item agreed to.

DEPARTMENT OF AGRICULTURE

Administration service—

1. Departmental administration (including advisory committee on agricultural services), $496,998.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Chairman, ladies and gentlemen—

Some hon. Members: Oh, oh.

Mr. Gardiner: I think that is the proper way to address the group gathered here this evening—

Mr. Nowlan: How about calling it ten o'clock?

Mr. Gardiner: —because I have been listening for two days to a discussion which I think was intended to be heard outside the house, under the circumstances prevailing.

Mr. Drew: Do I take it the minister is not speaking for the benefit of people outside the house?

Mr. Gardiner: Both inside and outside.

Discussions during the session have covered quite a number of questions having to do with agriculture. I am afraid if I were to try to follow them through, and refer back to the many things that have been said, I would be called to order immediately. So I am not going to attempt to answer what has been said throughout the session, in spite of the fact that I have had no previous opportunity of doing so. But I hope during the time the estimates are under discussion on the individual items, by questioning and otherwise these matters can be covered.

However, it has been customary on the first item of the estimates to have a general discussion, and I presume that is desired at this time. Members of the house throughout this session have been suggesting that the Department of Agriculture should increase production to take care of an underfed world and at the same time maintain producers' returns at a high level. Attention must be and is being given to both suggestions, but I am sure it will be agreed that what is done in one direction will influence what can be done in the other. However, the last appeals

which have been made by farm organizations, particularly the Canadian Federation of Agriculture, are different from the appeals which have been made in this house, as I hope to point out.

It is the task of the Department of Agriculture to promote the production of food and clothing. We do so by calling together, as every hon. member knows, in the first week of December, in Ottawa each and every year representatives of the 10 provincial departments, the federation of agriculture, the farmers' union, the representatives of the countries with which we trade, and the press of Canada. At this meeting full information is given as to production of and markets for all farm products. This has been going on now for 16 years, and the results, if I may say so, have been rather marvellous.

The provinces co-operate with the federal officials in making available the latest information. The federal officials pass it on to the farm organizations. The effects of it are discussed fully by all; that is, all those who are present at the conference, before the press. The press and farm organizations co-operate in passing the information on to the farmers who become as well informed as to what can be marketed as any farmers anywhere in the world.

The result has been that the farmers for many years now have kept their production of perishable products, including meats, at levels which can be marketed and have stored their surplus in the form of grain, principally wheat, which is the nearest approach to non-perishable food which exists.

When we have been threatened by disease, either of our livestock or of other products, the Department of Agriculture has grappled with the disease. Two outstanding examples are our battle against foot-and-mouth disease and rust. Every expert in every country in the world agrees that we accomplished the most complete and most expeditious eradication of foot-and-mouth disease in 1952 ever brought about in any country. This saved the livestock producers millions of dollars and price control during the period permitted production and marketing to go on at a profit.

We had 18 years without rust, but a few years ago it became known that a new race of rust to which our wheat is not resistant was on its way north. The department at once entered upon the breeding of new wheat. We did not have sufficient wheat last year which was resistant to 15B rust, but we did have Selkirk developed and distributed over the entire area. It proved itself resistant to 15B over the entire area. We have retained the 3 million bushels produced in 1954 in this country to be seeded in 1955, and if we have a reasonably good crop we should have sufficient to seed the spring wheat area in 1956.

By these and other methods we have assisted farmers to produce the greatest quantities of the staple foods, meat, dairy and cereal products ever produced in this country. The farmers produced 7 million tons more food per year for the last three years for which we have complete figures than for each of the last three years of war which was our greatest production up to that time.

Some years ago it was realized that the piling up of surpluses resulted in reduced prices and often in reduced earnings to farmers. This was particularly true if the quality was not high. Grading systems were established in co-operation with the provinces to maintain a high standard. Even though great care has been taken to maintain high standards in the home market, it was realized that this department should co-operate with the Department of Trade and Commerce to maintain as high standards on products shipped abroad. Legislation to improve these efforts is before the house now. This is only a part of our effort to improve our markets.

We realize that for all our products excepting wheat the home market is our best market. Immigration and an increasing birth rate have increased our population. Family allowances, old age pensions and increased employment and wages have increased purchasing power. Both have improved our home markets. Price support put on by this government has stabilized and maintained returns to farmers. The Canadian Federation of Agriculture made a submission to the government regarding these matters on March 3, 1955.

It is suggested in the submission that the world has changed from being a place of scarcity of food to being a place of surpluses, most of which are held in North America.

The farmers of Canada, therefore, have very wisely managed, with the help of the December conference, to have practically all of their surpluses in the form of hard spring high protein content wheat.

The Canadian Federation of Agriculture statement points out that prices of farm products have fallen further in North America than in other countries of the world. This is quite true, but prices in general after the drop are higher in North America than in other countries of the world, all of which indicates that since the war farmers in North America have had the highest prices in the world.

After making these introductory comments, the brief calls attention to two matters which are of outstanding interest to the farmers. The first is the condition of the dairy industry and the second, support prices.

The brief states that the introduction of butter substitutes, the importation of butter into Canada, the importation of cheese from New Zealand, the shrinking of world export markets for dairy foods, and other influences, have resulted in dairy producers across Canada suffering substantial economic loss.

I am inclined to agree that the importation of butter and cheese into Canada would tend to lower the returns to the producer and the net farm income is lower in the last 3 years than in 1951, but I would point out it is higher than any year from 1947 back. The shrinkage of foreign markets, however, came about partly because there has been a higher price level here than elsewhere. To have been compelled to sell in foreign markets could, therefore, have resulted in lower income. Nevertheless, the dairy industry does require support during these unsettled times.

Four recommendations are made by the Canadian Federation of Agriculture. The first is that there be no further importations of cheddar cheese into Canada. We have already told New Zealand, as has already been stated in this house by the Minister of Trade and Commerce, that there is little if any room for outside cheddar cheese in Canada. We think, however, that the highest price which can be obtained anywhere for Canadian cheddar cheese can be obtained on the Canadian market if production remains at the level of the past three years. Experience shows that all the cheese which is presently being made in Canada could be sold in Canada at Canadian prices.

The second proposal by the Canadian Federation of Agriculture is that the present butter support price of 58 cents per pound be continued. That has been done. The plan followed by the prices board for the past six years of stabilizing the price on a basis of 58 cents to the producer relieves others of any risk. It makes possible a reasonable return to those who have the facilities with which to produce, and relieves the trade of any risks if they do not wish to carry butter themselves, from the summer to winter, and stabilizes the price to the consumer in winter.

The 58-cent support price on butter is the basis of the means by which the government undertakes to stabilize the dairy industry. The guarantee of the initial payment on cheese and the purchase of processed milk products on two occasions have helped. It is, therefore, somewhat disconcerting when critics greet the continuation of the support with the inference that the taxpayer is paying for this help to the farmer. It has cost the taxpayer as such less than one-fifth of a cent per pound over the past six years to stabilize the price and practically all of that was because we cut the support down to 53 cents one year out of six. The 58 cents is paid by the consumer and he in turn has his wholesale and retail price stabilized throughout the winter.

The third proposal made by the Canadian Federation of Agriculture is that small surpluses be exported. We have made one small sale of butter and are investigating the possibilities of others.

The fourth proposal by the Canadian Federation of Agriculture is increased protection through increased tariffs. We have not increased the tariff on imports of dairy products.

Butter is only one of the farm products upon which there is support. The federation says there should be continuous support on wheat, oats, barley, corn, hogs, eggs, cheese, butter and concentrated milk products. There is support on all but corn and concentrated milk products, and even on concentrated milk there has been assistance, in that we have on two occasions purchased concentrated milk products in order to remove surpluses from the market for the time being.

The grain supports are put on by the wheat board and freight assistance on feed grain by the Department of Agriculture. The cheese guarantee is put on under the Agricultural Products Co-operative Marketing Act. The egg, hog and butter supports are provided under the terms of the Agricultural Prices Support Act.

The federation specialized on price support in their discussions at Edmonton last winter and in the submission on March 3. We thank them for their expressions of appreciation to us for what has been accomplished to date and have followed carefully their efforts to simplify the plan of price support by a formula. I have some doubt as to whether an algebraic formula is simple to the average farmer. I believe the simple words contained in our act:

> In prescribing prices . . . the board . . . shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations,

—which are accepted by the federation as expressing, as they say, "exactly the objective of organized agriculture in Canada today", are more easily understood than an algebraic formula.

The algebraic formula which was presented to us is based on the years 1925-29. Ours is based on the years 1943-45, and the general

opinion of experts is that our years are more favourable to the farmer. But I am pleased to note that their formula proves our board to have arrived at about the same support price as the proposed formula would have produced, except that one would not be able to prove at which point between 65 per cent and 85 per cent of parity one should stop. The federation disagrees with the hon. member for Assiniboia when he advocates 100 per cent of parity. They say there should not be an incentive price. We agree. They ask that the support price be between 65 per cent and 85 per cent of parity.

No matter what formula one follows, living as we do alongside a great populous country whose products could flood our country if our prices were higher than theirs, one's last act must be to check their prices and bring ours into proper relationship with theirs.

The formula would produce 23·7 cents as half way between 65 and 85 per cent of parity for hogs. Our support is 23 cents. So we are only a decimal of one cent out from what their algebraic formula would produce.

The formula would produce 59·7 cents as 85 per cent of parity for butter. That is what they would set as the top level. There is a 12-cent duty on butter. Our support price is 58 cents. The U.S.A. support is lower and American butter does not come in because of the duty.

The formula would produce 25 cents as 70 per cent of parity for cheese. Our guarantee has been 24 cents and our support plus the Ontario government's support works out at 80 per cent of parity.

The plan we follow on eggs does not lend itself to the same check but the average price received for eggs since the plan was established five years ago is within the 65 to 85 per cent of parity range.

It is not suggested by the Canadian Federation of Agriculture that we should cover beef or cattle with a support price but the table shows 85 per cent of parity to be $19.60 a hundred for good steers at Toronto. That is the price we are getting and seems to support our practice of allowing the United States market to provide the support for cattle. That is the reason, of course, that the federation does not ask for a support price on cattle.

We are more than pleased to find, now that the federation has worked out a formula, it verifies the supports we have as being reasonable and meeting as nearly as can be the wishes of the organized farmer.

The Canadian Federation of Agriculture represents farm organizations in all the provinces of Canada. I am quoting from them rather than from the farmers' union, because the farmers' union has not yet established itself right across Canada. Their organization is strong in the three prairie provinces and is attempting to work its way into other provinces, but the federation is organized right across Canada. Their annual convention and submission to the government is most helpful in keeping us in touch with the point of view of the farmer. Even when we are not able to put into effect all the suggestions they make, a discussion brings out ideas which are certain to find their way into administrative activities.

No sound conclusion can be reached by comparing anything related to production or returns from farming, by comparing one year with the one before it or the one immediately after it. Take last year, for example, and compare the wheat production or the final returns with the year before, and the only sound conclusion you can arrive at is that there was a wheat crop failure on account of rust over a considerable area. But if one takes the average over three or four years and compares it with the average over any other three or four years, one can conclude whether prices, income or production are constantly on the upgrade.

I have before me a table which shows that, taking the average price on farm products for the four years before we came into office as the beginning, there has been an increase every four years since, until now the price on all cereals is from 2½ to 3 times as high from 1951 to 1954 as in 1931 to 1934. The price on hogs is over three times as high, and the price on cattle over four times as high. The price on butter is 2½ times as high, the price on cheese three times as high and the price on eggs almost twice as high.

An hon. Member: May I ask the minister how long he is going to be? It is after ten o'clock.

Mr. Gardiner: I have about two more pages.

An hon. Member: Finish it.

Mr. Coldwell: Is the minister going to put that table on the record?

Mr. Gardiner: I shall put the whole thing on the record. I can put the table on.

Mr. Coldwell: It might be interesting to have the table on the record.

Mr. Gardiner: I shall put it on the record.

The Deputy Chairman: Has the minister unanimous consent to have the table put on the record?

Some hon. Members: Agreed.

Mr. Gardiner: The table is as follows:

CANADA—WHOLESALE PRICES

—	Wheat No. 1 N. [1]	Oats No. 2 C.W. [1]	Barley feed No. 1 [1]	Hogs B 1, Toronto (live hogs and equivalent grades)	Good steers (up to 1050 lbs.) Toronto	Butter No. 1 Prints Montreal	Cheese No. 1 Montreal	Eggs Grade A Large (loose) Montreal
	¢ per bu.	¢ per bu.	¢ per bu.	$ per cwt.	$ per cwt.	¢ per lb.	¢ per lb.	¢ per doz.
1931.....	59·9	31·4	37·4	7·39	5·93	26·9	11·7	34·3
32.....	54·3	26·4	32·2	4·66	5·23	22·6	9·7	30·4
33.....	68·0	33·9	39·0	5·54	4·47	23·3	10·1	28·0
34.....	81·8	42·8	48·2	8·60	4·85	24·3	10·4	31·5
35.....	84·6	34·6	36·0	8·94	5·79	24·9	11·0	31·2
1936.....	122·6	53·0	70·8	8·43	5·04	25·3	12·8	34·0
37.....	131·5	50·4	57·6	8·92	6·72	28·0	14·0	31·6
38.....	62·0	29·0	36·0	9·45	5·97	28·4	14·2	32·5
39.....	76·5	35·6	42·5	8·91	6·77	25·0	12·7	30·9
40.....	74·0	34·8	44·0	8·70	7·68	27·5	15·1	31·9
1941.....	76·7	49·1	59·8	9·93	8·70	34·8	17·0	34·6
42.....	94·7	49·2	59·8	11·79	10·29	36·5	21·5	40·6
43.....	123·3	51·5	64·8	12·65	11·76	36·1	21·5	44·8
44.....	125·0	51·4	64·8	13·96	11·50	36·5	20·9	40·6
45.....	125·0	51·5	64·8	14·34	11·65	36·9	21·0	43·3
1946.....	138·5	56·5	75·2	15·45	12·45	40·8	22·1	44·3
47.....	158·5	84·3	113·3	17·01	14·28	52·6	25·5	46·8
48.....	205·0	78·1	111·6	23·12	19·15	69·8	34·4	56·0
49.....	205·8	91·0	135·9	23·32	20·65	61·9	31·7	56·5
50.....	191·2	96·8	137·5	22·23	25·84	57·9	29·5	51·5
1951.....	182·2	91·1	127·2	25·41	32·60	65·0	34·5	66·2
52.....	185·8	80·3	124·6	19·85	25·15	62·4	30·1	54·2
53.....	189·4	72·9	94·6	23·61	20·25	61·0	29·0	62·3
54.....	175·7[2]	89·2[2]	112·3[2]	23·76	19·64	59·9	29·5	49·6
Average—								
1931-34...	66·0	33·6	39·2	6·55	5·12	24·3	10·5	31·0
1936-40...	93·3	40·6	50·2	8·88	6·44	26·8	13·8	32·4
1941-45...	108·9	50·5	62·8	12·53	10·78	36·2	20·4	40·8
1946-50...	179·8	81·3	114·7	20·23	18·47	56·6	28·6	51·0
1951-54...	183·2	82·3	114·9	23·16	24·41	62·1	30·8	58·1

[1] Prices are Winnipeg cash closing prices basis in store Fort William. Prices are on a crop year basis; for example, 1931 price applies to the crop year 1931-32, etc.

[2] Average price for the period Aug. 1–Dec. 31, 1954.

Even if the dollar were only worth half as much, the returns would be greatly increased.

It is not remarkable that prices went up during the war, but it is remarkable that they have gone up a great deal more since the war than either before or during the war. Cereals have been 75 per cent higher; hogs, steers and butter have brought almost twice as much; and cheese and eggs 50 per cent more during the past four years than during the last four years of the war. This is remarkable as it is eight years since the end of the war. I doubt if there ever was an eight-year period after any previous war when prices for farm products continued higher than during the war. It is partly due to the fact that we have been spending ten times as much promoting production and marketing in agriculture for many years as was ever spent for that purpose before this government came into office.

But our critics say the cash returns are up but what about the net income. If you average the last four years of net income with any other similar length of period, the results are higher net income in the last four years. The last four years for which I have the net farm income are 1951, 1952, 1953 and 1954. The average net return per year in that period is $1,726 million. The average net return per year for the previous four years is $1,484 million, which is higher than any previous four years. Of course, it is down for

1954 because of our wheat crop failure and filled elevators, but even the net income for 1954 averaged with the preceding three years is higher than the average of any preceding four-year period. What has kept it that way?

We passed the Agricultural Products Co-operative Marketing Act in 1939. It makes it possible for any group of farmers to organize a pool to sell their product. The federal government guarantees them at the bank so that they can secure sufficient credit to be able to make an advance payment, sell the product, and make a final payment. One hundred and twenty co-operatives have been set up under this legislation which assists in stabilizing returns and returning the highest possible prices to the farmer. The last to be so organized is the cheese board in Ontario.

We put through legislation in 1943 which set up the wheat board in its present form. The wheat board has marketed our wheat in a very satisfactory manner since, with the result that for the first time in our experience surpluses have not driven the price down to the extent that profits could not be made.

We put through the Agricultural Prices Support Act in 1944 and it has operated since 1946. The board set up under it sets up agencies which offer to take delivery of surpluses at floor prices and put them back on the market in times of shortage. The board has a revolving fund of $200 million with which to operate which is kept at that level by amounts from the treasury. They have used $300 million over the nine years, and, with the exception of $70 million spent fighting foot-and-mouth disease, there has been very little which has not been returned to the fund.

Mr. Nicholson: Has the minister the exact amount which has not been returned?

Mr. Gardiner: The exact amount is the difference between that amount and the $70 million taken off and about another $12 million on top of that $70 million. That is what has not been returned.

Activities under these acts for the past ten years have maintained and stabilized prices on wheat, livestock, potatoes, apples, beans, honey, dry skimmed milk, cheddar cheese, creamery butter and shell eggs at higher levels than ever before. It is the fact that these prices being kept in reasonable relationship to the prices of what farmers buy has resulted in the average net income of farmers being higher in the last four years than in any previous four-year period.

Mr. Chairman, it being ten o'clock—

[Mr. Gardiner.]

Mr. White (Middlesex East): May I move the adjournment of the debate?

The Deputy Chairman: Shall I report the resolutions and ask leave to sit again?

Some hon. Members: Agreed.

Item stands.

Resolutions adopted in committee of supply this day reported, read the second time and concurred in.

BUSINESS OF THE HOUSE

Mr. Harris: On Monday we shall take third reading of Bill No. 352 with respect to meat and meat products; second reading of Bill No. 411 with respect to national standards for agricultural products; second reading of Bill No. 5, to amend the Prairie Farm Rehabilitation Act; and second reading of Bill No. 410, to amend the Customs Act. On conclusion of that business we shall move to go into supply. If we achieve that end we shall continue with Department of Agriculture estimates for the rest of the day.

Mr. Drew: Mr. Speaker, I rise on a question of privilege. I would point out that during the current session a committee has been discussing the revision of the rules. It is well known to everyone that in discussing this matter the committee has recognized a long-established practice that the motion to go into supply shall be the first order called on a designated day; and the proposed rules contemplate fixed days for a certain number of motions for going into supply. This is merely expressing a long-established tradition with regard to a practice of long standing, that the motion to go into supply at this stage of the proceedings affords the opportunity for certain stated motions.

One of the things that, it seems to me, should be recognized in this house is the desirability of dates being fixed so that members may make their own arrangements accordingly. Ministers and members find it necessary to be out of the house on various occasions and it should be possible for them to make those arrangements with recognition of important matters coming before the house. One of those important matters is a motion going into supply. I submit that it is simply a breach of a long-established practice to adopt a course like this. It is a practice which means that the motion going into supply is left hanging in suspense. No one knows when it will come up. I repeat the term I used earlier, namely that to adopt this practice is juggling with the traditions of this house and that at a time when an effort is being made to introduce rules which will be satisfactory to everyone.

Mr. Harris: Mr. Speaker, those of us who are serving on the rules committee are, of course, obliged not to discuss the matter until a report is made to the house. I take it that that obligation does not devolve upon any hon. members who are not members of the committee.

Mr. Drew: You told the press what was going on.

Mr. Harris: Under these circumstances I would not comment on what has been said except to say this. I too for a number of years have been trying to get an orderly system of dealing with the business of the house. In the course of the past two years, having had something to do with it, I have done what I could by arrangement with other parties to see if we could not have, as far as possible, an understanding as to the sequence of business so that it would meet the very point the Leader of the Opposition has made. I do not recall at any time it having been said that if the committee were to make the report that the Leader of the Opposition suggests it may be making, it is as a consequence of recognizing a tradition of the house. I do not recall that ever having been said at all in the committee or in the house. While I would be willing to meet any reasonable request, and I have done so over the past two years, I feel that for Monday at least we shall have to go on with the business I have indicated. It may well happen, if the legislation is out of the way, that the motion to go into supply will be the first order of business on Tuesday. I would hope it would be that way.

Mr. Drew: On a question of privilege, I would point out that it is perfectly proper to discuss something that has already been fully discussed in the press and mainly on information given to the press by the minister himself.

Mr. Harris: Mr. Speaker—

The Acting Speaker (Mr. Applewhaite): Order. I think it is a usual thing for the house to have an informal discussion of the business for the ensuing day, and sometimes the ensuing week, at this period of the session. So far as the Chair is concerned, I think we are bound by standing order 17(2), which reads:

> Whenever government business has precedence, government orders may be called in such sequence as the government may think fit.

Mr. Sinclair: You are not the government and never will be.

Mr. Drew: An arrogant government can do anything.

The Acting Speaker (Mr. Applewhaite): Order. The Leader of the Opposition having raised a question of privilege, which I think he was entitled to raise, dealing with the proceedings of the house, he has made his point and it has been answered by the Minister of Finance as leader of the house. I have no hesitation in saying that both hon. gentlemen would be out of order if they discussed the supposed report of the committee of the house which is considering procedure.

It being fourteen minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply]:

POST OFFICE DEPARTMENT

334. Departmental administration, $1,546,388.

335. Operations—including salaries and other expenses of staff post offices, district offices, railway mail service staffs, and supplies, equipment and other items for revenue post offices, also including administration, $82,103,422.

336. Transportation—movement of mail by land, air and water, including administration, $47,135,283.

337. Financial services, including audit of revenue, money order and savings bank business; and postage stamps, $2,493,015.

Loans, investments and advances—

543. To extend the operation of the revolving fund established pursuant to vote 541, Appropriation Act, No. 4, 1954, for the purpose of acquiring and managing materials and fittings to be used in the manufacture of mail bags, the total amount to be charged to the revolving fund at any time not to exceed $695,000; additional amount required, $270,000.

HOUSE OF COMMONS

Monday, May 30, 1955

The house met at 2.30 p.m.

PRIVATE BILLS

FIRST READING—SENATE BILL

Bill No. 414, respecting Westcoast Transmission Company Limited.—Mr. Fairey.

QUESTIONS

GRAIN ELEVATORS—PERCENTAGE OF ORDERS

Mr. Castleden:

1. What was the percentage of grain shipping orders allocated to various grain elevator companies by the wheat board during crop year 1953-54?
2. On what basis were the various percentages allocated to each company?
3. When was the present percentage basis first put into operation?

Mr. Robertson:

1. It is not the policy of the Canadian wheat board to disclose details of the competitive position of various elevator companies in their capacity as agents of the board.

2. See answer to No. 1.

3. See answer to No. 1.

ROYAL COMMISSION ON CUSTOMS AND EXCISE, 1926

Mr. Nicholson:

1. Who were the members of the royal commission which investigated customs and excise during 1926 and 1927?
2. Who were engaged as counsel?
3. What was the total cost in connection with the inquiry?

Mr. McCann:

1. The Hon. Sir Francois Xavier Lemieux; the Hon. James Thomas Brown; the Hon. William Henry Wright; the Hon. Ernest Roy.

2. Hon. N. W. Rowell, K.C. and Mr. R. L. Calder, K.C., as seniors, and Messrs. R. B. Law and Gordon Lindsay, as juniors.

3. $375,716.65.

ST. LAWRENCE SEAWAY—ADDITIONAL EXPENDITURE

Mr. Macdonnell:

How much additional expenditure will the St. Lawrence seaway involve, (a) between lake Ontario and lake Erie; (b) between lake Erie and lake St. Clair; (c) between lake St. Clair and lake Huron; (d) between lake Huron and lake Superior, and who is responsible for the expenditure in each case?

Mr. Marler: Stand.

Mr. Macdonnell: On a question of privilege, Mr. Speaker, may I suggest that my question could easily be answered. It seems to me a simple one. May I ask the minister if he will look into the matter himself?

Mr. Speaker: I suggest that any inquiries relating to questions that are not answered as promptly as hon. members would like should be dealt with on orders of the day.

Question stands.

CANADIAN NATIONAL BUILDING, LINDSAY, ONT.

Mr. Hodgson:

1. What was the contract price for the construction of the Canadian National building at Lindsay, Ontario?
2. What was the total cost?
3. What is the name of the contracting firm?

Mr. Langlois (Gaspe):

The Canadian National Railways advise as follows:

1, 2 and 3. A contract for construction of the Canadian National Railways building at Lindsay, Ontario, has been awarded to L. T. Braunton Company Limited of Lindsay, the low bidder. It is not the practice of the management to disclose details of contracts with private parties.

MINK FOOD, NEWFOUNDLAND

Mr. Barnett:

1. Are plans being made in the province of Newfoundland for an extended exploitation of the pot-head whale as mink food?
2. If so, have appropriate measures been taken by the federal government to ensure that conservation of this species is not being endangered?
3. Has consideration been given to the feasibility of utilizing, for mink food purposes, the five-million pounds of seal carcasses reported as being abandoned annually offshore from the province of Newfoundland?

Mr. Sinclair:

1. Greater use has been made of the pot-head whale in Newfoundland in recent years. The provincial legislature has this year approved a bill to regulate the processing of pot-head and mink whales, and the sale of meat, oil and by-products.

2. The fisheries research board and the Department of Fisheries have the resource under continued observation. The present

rate of killing is not regarded as being excessive but if increased use of the resource should endanger conservation, appropriate regulations will be enforced.

3. Difficulties in transportation make it impractical to utilize the seal carcasses left by the sealers. An increase in mink farming might make it economic to use the seal carcasses from offshore operations.

MARITIME MARSHLAND REHABILITATION—PAYMENTS

Mr. Kirk (Antigonish-Guysborough):

What amounts have been paid under the Maritime Marshland Rehabilitation Act, during each fiscal or calendar year since its inception to each of the following provinces: (a) Nova Scotia; (b) New Brunswick; (c) Prince Edward Island; (d) Newfoundland?

Mr. Gardiner:

(a) Nova Scotia:

1949-50	$ 156,807.88
1950-51	616,374.69
1951-52	646,872.74
1952-53	867,997.47
1953-54	986,997.03
1954-55	728,743.88

(b) New Brunswick:

1949-50	$ 199,989.22
1950-51	338,671.03
1951-52	548,954.19
1952-53	777,453.58
1953-54	1,006,011.10
1954-55	589,979.90

(c) Prince Edward Island:

1950-51	$ 27,863.15
1951-52	160.66
1952-53	114.04
1953-54	185.30
1954-55	87.51

(d) Newfoundland: Nil.

UNEMPLOYMENT INSURANCE OFFICES, MARITIME PROVINCES

Mr. Kirk (Antigonish-Guysborough):

1. How many unemployment insurance offices are there in each of the following provinces: (a) Nova Scotia; (b) New Brunswick; (c) Prince Edward Island; (d) Newfoundland?
2. Where is each one located?
3. How many days per week is each of the above offices open for business?

Mr. Gregg:

1. (a) 17; (b) 14; (c) 2; (d) 3.

2. (a) Nova Scotia—Amherst, Bridgewater, Dartmouth, Glace Bay, Halifax, Inverness, Kentville, Liverpool, New Glasgow, New Waterford, North Sydney, Pictou, Springhill, Sydney, Sydney Mines, Truro, Yarmouth.

(b) New Brunswick—Bathurst, Campbellton, Chatham, Edmundston, Fredericton, Minto, Moncton, Newcastle, Sackville, Saint John, St. Stephen, Shediac, Sussex, Woodstock.

(c) Prince Edward Island—Charlottetown, Summerside.

(d) Newfoundland—Corner Brook West, Grand Falls, St. John's.

3. Five days.

NATIONAL REVENUE, WINDSOR, ONT.—EXPROPRIATION OF BUILDING

Mr. Knowles:

1. In the matter of the expropriation from the Sandwich, Windsor and Amherstburg Railway Company of the building in Windsor, Ontario, in which the local offices of the federal income tax branch are located, how was the expropriation price established?
2. Did each side have a valuator or valuators?
3. If so, who were said valuators?

Mr. Bourget:

1. By negotiation with the Sandwich, Windsor and Amherstburg Railway Company.
2. This department engaged two evaluators.
3. A. E. Merkley, Windsor, Ont.; Lester B. Cousins, Windsor, Ont.

QUESTIONS PASSED AS ORDERS FOR RETURNS

TAX AGREEMENTS—PAYMENTS TO PROVINCES

Mr. Kirk (Antigonish-Guysborough):

What amounts have been paid under provincial tax agreements for each fiscal or calendar year since its inception to each participating province of Canada?

DISASTER RELIEF FUND

Mr. Kirk (Antigonish-Guysborough):

How much has the federal government paid to Canadian Disaster Relief Fund Limited, or any agency, government or otherwise, on account of (a) Hurricane Carol; (b) Hurricane Dolly; (c) Hurricane Edna; (d) Hurricane Hazel?

BEQUESTS TO GOVERNMENT BY MACKENZIE KING

Mr. Ferguson:

1. What has been the yearly cost of maintenance of Laurier house, the Kingsmere farm and other real estate bequeathed to the government of Canada by the late Right Hon. W. L. Mackenzie King?
2. How many government employees or other persons are or have been housed on these premises during any part of the last two years? What are their names and their salaries?
3. What has been the cost of maintenance of these premises for each month during the last two years?
4. What has been the cost of electricity and telephone per month during that period?
5. What is the amount of money left by Mr. Mackenzie King for the maintenance of the above premises?
6. What is the annual revenue derived from that amount?
7. What is the wording in the clause of Mr. King's will bequeathing the above property to the government?

FISHERIES

MEASURE TO PROVIDE GUARANTEE ON LOANS TO FISHERMEN

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to assist fishermen engaged in primary fishing enterprises by encouraging the provision of bank loans to fishermen, such loans to be guaranteed with limitations by the crown; moneys payable to banks under the act to be paid out of the consolidated revenue fund.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

NATIONAL DEFENCE

D.E.W. RADAR LINE—CONTACT WITH ESKIMOS

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, before the orders of the day are called I should like to direct a question to the Prime Minister (Mr. St. Laurent), because I do not know to what other minister I can direct it.

In view of the report in some United States newspapers—and I am referring particularly to the New York *Herald Tribune* of Sunday, May 29—to the effect that one of the conditions in connection with the arrangement for the construction of the distant early warning radar line was that—and I am quoting this —"all contact with Eskimos is to be avoided except in cases of emergency", may I ask the Prime Minister if he can inform us from what department of government and under what circumstances this order, apparently without precedent, was given, and also something of the general effect of the order and the reasons for this unusual course.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, the arrangements regarding contacts with the Eskimos in the building and operation of the D.E.W. line were made by officers of the Department of Northern Affairs and National Resources, dealing with the officers of the Department of External Affairs. Every precaution has been taken so the normal life of the Eskimos shall not be disrupted but that so far as possible and whenever possible work would be given to them.

If it is more satisfactory to the Leader of the Opposition I would be prepared to take his question as notice and give a full explanation. I might say immediately, however, that I do not agree with the quotation.

Mr. Drew: With what?

Mr. Lesage: With the substance of the quote.

Mr. Drew: Well, Mr. Speaker, while accepting the fact that the minister wishes to take this as notice and prepare a more detailed statement, may I ask if it is not so that an order has in fact been made which has the effect of declaring that there shall be no fraternization between Eskimos—who after all are citizens with the right to vote—and others, which has the effect of denying to American G.I.'s the rights that would be accorded to anyone else visiting those areas?

Mr. Lesage: We believe, and I think with justification, that according to our past experience it would be a very bad thing if those who are now working on the D.E.W. line were allowed to visit Eskimo villages frequently. The experience of the past, particularly so far as the health of the Eskimos is concerned, has been very bad indeed when people have been allowed to visit the Eskimo settlements. I am speaking about health at the moment, but there are other problems, too.

Mr. Drew: Mr. Speaker, I share with the minister the desire that the life of the Eskimos shall be protected within the natural limitations of the rights of Canadian citizens. But in preparing the statement I would ask the minister to keep in mind that a good deal of publicity has been given to this in the United States. In preparing his reply I hope that it may be one which will explain what does appear to many writers in the United States to be a rather unusual restriction upon the ordinary friendly contacts of members of the United States forces who are in Canada.

ST. LAWRENCE SEAWAY

RESPONSIBILITY FOR ADDITIONAL EXPENDITURES AT VARIOUS POINTS

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, may I now make to the Minister of Transport the request which I made improperly a few moments ago. In doing so may I be allowed to refresh his memory by reading the question, which is as follows:

How much additional expenditure will the St. Lawrence seaway involve, (a) between lake Ontario and lake Erie; (b) between lake Erie and lake St. Clair; (c) between lake St. Clair and lake Huron; (d) between lake Huron and lake Superior, and who is responsible for the expenditure in each case?

Unless the minister has to go out and make new agreements involving these expenditures, surely they must be available; surely they could have been given before now if he was, shall I say, properly keen on complying with my request.

Meat Inspection

Hon. George C. Marler (Minister of Transport): All I will say is that it is much easier to put the question than it is to answer it. I can assure my hon. friend that I shall try to give him an answer at an early date.

ARTS, LETTERS AND SCIENCES

INQUIRY AS TO SETTING UP OF CANADA COUNCIL

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Prime Minister. Can the Prime Minister advise the house when we might expect the Canada Council to come into operation?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker, I am not in a position to advise the house as to when the Canada Council will come into operation. It will first of all have to be set up through parliamentary legislation, and that has not yet been provided for.

LABOUR CONDITIONS

GUARANTEED ANNUAL WAGE—PASSING OF ORDERS IN COUNCIL

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of Labour, of which I was not able to give him notice. He may wish to take it as notice. My question is, have any orders in council relating to the payment of the guaranteed annual wage been passed? If so, what is the nature of such orders in council?

Hon. Milton F. Gregg (Minister of Labour): The answer is no, Mr. Speaker.

FLOODS

SASKATCHEWAN—INQUIRY AS TO DECLARING OF EMERGENCY AND ASSISTANCE TO FARMERS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Prime Minister. Did he receive a communication from the directors of the Saskatchewan wheat pool on Friday asking for an immediate decision on the question of an emergency being declared in the flooded areas of Saskatchewan, and also requesting that some emergent assistance be given to the farmers in those areas? If so, what is the present position?

Right Hon. L. S. St. Laurent (Prime Minister): I shall have to take the hon. gentleman's question as a notice. I would not want to deny that any request has been received, and if one has been received, I would not want to attempt to describe it without having looked at it carefully. I shall take the hon. gentleman's question as notice.

MEAT

INSPECTION OF PRODUCTS ENTERING INTERNATIONAL AND INTERPROVINCIAL TRADE

Right Hon. J. G. Gardiner (Minister of Agriculture) moved the third reading of Bill No. 352, respecting the inspection of meat and meat products entering into international and interprovincial trade.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I do not intend to make any extended remarks on this bill at this time, other than to say that the object of the minister in bringing in this legislation will not be attained. Perhaps the reason for bringing in this bill was to have legislation which would provide for the whole meat industry such regulations and conditions as would be in the interests of all concerned. Other people than consumers are involved in the quality and distribution of meat in this country. The interests of all these people should be taken into consideration.

The bill says the intention is to inspect meat and meat products entering into interprovincial and international trade. The explanatory note states that where the bill conflicts with the Meat and Canned Foods Act, those sections of the Meat and Canned Foods Act will be revoked. It seems to me that here again we have legislation that is cluttered up with the provisions of another act, and therefore it will not bring satisfactory results to the meat industry. The Meat and Canned Foods Act provides for the inspection of canned meats under sanitary conditions. It appears to me that all the new legislation does is perhaps delete some sections of the Meat and Canned Foods Act and set up a force to carry out the intentions of the new act.

I would ask the minister to give us assurance that there is not going to be a duplication of personnel and services. It seems to me that under the Meat and Canned Foods Act we can have adequate inspection without bringing in this new legislation. It would appear to me that so far as a product entering into international or interprovincial trade is concerned, as long as it is covered by careful inspection from the time it leaves the farmer until it enters the processing field that should be guarantee enough.

In my opinion this new legislation will not deal with some of the problems confronting our meat industry, both from the producer and consumer standpoints. I shall confine my remarks at this time to what I have said, and will have more extended remarks to make when we are dealing with Bill No. 411, to establish national standards for agricultural products and to regulate international and interprovincial trade in agricultural products.

Motion agreed to and bill read the third time and passed.

AGRICULTURAL PRODUCTS

MEASURE TO ESTABLISH NATIONAL STANDARDS AND REGULATE TRADE

Right Hon. J. G. Gardiner (Minister of Agriculture) moved the second reading of Bill No. 411, to establish national standards for agricultural products and to regulate international and interprovincial trade in agricultural products.

Mr. J. A. Charlton (Brant-Haldimand): Mr. Speaker, I do not intend to say very much about this bill at this time, but I do want to protest about another matter. Bill No. 5 was called for last Monday, after having been on the order paper since January 11. Last Monday was also the first day the agriculture committee met. This morning I received a notice in my box indicating that there would be two meetings of the agriculture committee today. Now we are told that three of the bills dealing with agricultural matters will be considered today in the house, to be followed by the agriculture estimates. There are also to be two meetings of the agriculture committee tomorrow.

I realize that the officials of the wheat board were here and it was important that they get back to their jobs, but surely the business of this house can be so arranged that the agriculture committee does not have to meet at the same time that important bills having to do with agriculture are before this House of Commons. Surely there can be better planning on the part of the house leader. I do not know whether the chairman of the agriculture committee sits down and talks these things over with the house leader, but surely there can be better arrangements.

As far as this particular bill is concerned, we are going to leave our discussion of it until the committee stage. We agree with the principle of having the five bills consolidated; we think it is a good idea, but will defer our main discussion until the committee stage.

Mr. Gardiner: In moving the second reading of this bill, and having heard—

Mr. Speaker: Order. Is the minister rising on a point of order or is he rising to reply to the comment or complaint of the hon. gentleman? If he speaks now he closes the debate.

Mr. Gardiner: Mr. Speaker, I have not spoken at all so far. My friend got up and asked some questions. I was only going to speak on the motion for second reading.

Mr. Speaker: The right hon. minister says he has not spoken. In moving second reading he has spoken. All he is entitled to now is his right to reply, once the debate is terminated, unless by consent the house cares to let the minister answer the questions asked by the hon. member.

An hon. Member: In committee. Go ahead.

Mr. Speaker: In committee? Has the hon. member for Brant-Haldimand completed his speech?

Mr. Charlton: Yes.

Mr. Speaker: When the minister replies, he may deal with the points that have been raised.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, the bill before us is to establish national standards for agricultural products, and to regulate international and interprovincial trade in agricultural products. As I stated a moment ago when we were on third reading of Bill No. 352, I intend to make some extended remarks in connection with the bill now before us.

The problem confronting the livestock industry in Canada deserves careful scrutiny by this government. While we have before us this bill to establish national standards for agricultural products and to provide grading and other provisions, I want to say that for a long time the national livestock industry in Canada has deserved better attention from this government than it has had. For many years this group in the house has advocated that if we are to get down to the basic problem of the producer, and indeed give an assurance that our consumers will receive these products in the best condition and at the most reasonable prices, then we are going to have to do something more than has been done in the past by this government.

I should like to bring to the attention of the house a portion of the report and recommendations of the royal commission on price

spreads of 1934. One of the important recommendations of that commission is contained on pages 172 and 173, as follows:

As a step toward the solution of some at least of the problems which we have outlined, we recommend the establishment of a livestock board, under the appropriate jurisdiction. The duties of the board should include, among others, the following:

(a) The prompt dissemination of information to producers and the trade generally, in respect to production, marketing, stocks, and prices, both export and domestic;

(b) Administrative jurisdiction in matters connected with all phases of livestock marketing and in connection with disputes between producers, processors, etc.;

(c) Licensing and supervision of truckers, dealers and export packers; where necessary in co-operation with provincial authorities;

(d) Adequate inspection of all marketing stages and action to correct abuses;

(e) Co-operation with producers, processors and the trade generally to ensure as far as possible a balance between production and available markets;

(f) To encourage the organization of producers of livestock for regular and orderly marketing;

(g) Improvement of quality of all livestock;

(h) The formation of a uniform policy on external marketing, with a view not only to promoting new, but also retaining and developing, existing markets;

(i) The stabilization of supplies, and the regulation of quality to each particular market;

(j) The utilization of all available means to secure fair returns to the primary producers of good stock.

In the past speeches have been made in this house by various hon. members to draw attention to the fact that, as far as the producer of livestock is concerned, he is at the mercy of the packers.

Mr. Gardiner: Mr. Speaker, might I ask a question? What was the date of the report?

Mr. McCullough (Moose Mountain): This was the report of 1934. Here we have a recommendation that a commission be set up to investigate the livestock trade in Canada, but the Liberal government has done nothing about it to date. I think the time is long overdue when some consideration should be given to such commission reports and that, as asked for in this report, a livestock board should be set up.

If such a board were set up with adequate producer, and government consumer representation, I think we could have in Canada a regulatory body by means of which the livestock trade in this country could be handled in the interests of all the people concerned, namely the producers, the people in the processing trades, and also the consumers. The livestock producers do not want anything unfair. They have never asked for high prices out of line with their cost of production. When we have a situation where the livestock producer is at the mercy of the packers I think it is time for the spokesmen for those people in the house to bring these matters to the attention of the government.

I might say that under the present marketing set-up for our livestock products, the farmer is obliged to send his cattle to the livestock yards at Winnipeg or Toronto, and there he is faced with at least 12 different grades in respect of cattle. We have choice, good, medium, common, cutters and many other grades—12 of them in all—in which his cattle can be placed. With respect to his hogs there is a similar number of grades including, bacon, butcher, light, heavy, light sows and heavy sows.

The producer would feel content, or at least better satisfied, if these grades were carried through to the consumer, but that is not the case. The packers can get together and set the price practically any Monday morning or any day of the week, and also set the quality. There are no government grades. The buyers come in there and compete for the cattle. Perhaps the quotations on one specific day may give a certain price for choice animals, another price for good, another price for medium, and so on down the line. When those cattle come in, if there happens to be a heavy run on the market the buyers can get together and by co-operation force down the price the farmer gets for his livestock. Choice, good and medium cattle may all be listed that day at a certain price, but through the downgrading of those cattle the farmer takes a beating.

The same thing is true with respect to hogs. It is true that hogs are rail graded and government inspected, but there again there is no assurance that while the farmer gets a return on a heavy type hog, the consumer does not pay the same as for a bacon hog. Hence the situation is completely unsatisfactory.

The bill proposed by the minister to set up these national standards for agricultural products does not, in my opinion, solve the problem which confronts us. I am suggesting to the minister and to the government that they seriously consider setting up a national livestock marketing board with producer, consumer and government representation whereby this whole thing may be investigated. We should have competent people on the board in order that for the first time we may have a marketing and processing system in Canada which will be fair to livestock producers.

I might just quote from an article in order to show that at the present time there is dishonest grading with respect to livestock in

this country. This is an excerpt from the *Globe and Mail* of June 8, 1950. It is fairly old, but the same conditions prevail today. The article reads as follows:

> Quelph, June 7—Eastern Canadian housewives are ignorant of beef quality and as a result they are handed whatever their vendor likes to give them, Professor E. Stillwell of Ontario Agricultural College told a gathering of 500 Shorthorn breeders and their families at a demonstration of beef grading at the college here today.
>
> Producing 12 cuts of beef, he told his audience that they were purchased in various parts of Ontario as choice prime cuts, at prices ranging from 65 to 79 cents per pound, in the past few days. Not one cut could be called choice prime beef.
>
> In no instance was any of the team of purchasers, sent out under the auspices of Professor Knox, head of O.A.C. animal husbandry department, and the Ontario Shorthorn association directors, able to purchase red or blue ribbon beef, first and second grades respectively. All the beef purchased was of commercial quality, some of it very poor.

Hence you can see that under the present system of grading and assembling meat, in the retail end of it our consumers too are getting fleeced, one might say. I therefore strongly urge that this house and the government consider setting up a national livestock marketing board on which we shall have, as I say, producer representation, consumer representation and also government officials, who will co-operate in order to give all the people concerned the best kind of marketing set-up with respect to livestock products.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to make just a few brief comments on this bill, which to me appears a sensible piece of legislation, as far as it goes, in consolidating, as it does, five other acts. It provides for what appears to be strict enforcement of national standards for farm products. I am quite sure that farmers welcome national standards. I am quite sure the great majority of farmers want to produce commodities of high standard and up to certain grades. However, I think the farmer also is entitled to see that national standards are applied to many of the things he purchases.

Before dealing with that matter for a moment or two, I want to mention the fact that we have fairly strict grading laws with regard to vegetables, meats, dairy products, poultry and fruit. The hon. member for Moose Mountain (Mr. McCullough) has mentioned something in connection with meat. I would not be as competent as some of the members of this group or other members of the house to judge a prime cut. However, I know something about fruit because I have packed a good many thousand boxes of apples in my lifetime. Over a period of two or three years I packed apples for 10 cents a box, net return, and nearly starved to death.

I want to bring to the attention of the minister the argument that while it is quite all right to enforce national standards on the farmer, under which he must produce apples to a certain standard and grade, poultry to a standard and grade and eggs to a standard and grade, in fairness that requirement must be carried through and the government must see that wholesalers and retailers market these products according to the grades marked by the producer. I have visited stores in Calgary, in Winnipeg and in Ottawa, and repeatedly I have found apples in retailers' windows raised above the grade which the farmer received when he sold them to the packing house in question or to the farm organization. I think there must be stricter enforcement of the act, not only so far as the farmer is concerned—for on the whole he produces the material according to the standard required—but in the distribution of the farmer's product grades are often changed.

I mentioned that I think the farmers are entitled to more protection with respect to commodities they buy from other producers and manufacturers. What protection has the farmer in this country when he is buying fencing wire? I think it is only as the result of some excellent work on the part of the Canadian Federation of Agriculture that there has been some improvement in the tensile strength of fencing wire in recent years. What protection has he when he buys roofing? You can get five or six different prices for certain types of roofing, and I have heard from people in the national research council, who understand these things, that you are paying different prices for much the same thing. What about paints? Paints are one of the biggest rackets we have in this country, and the price range is very great. You are not certain when you pay the higher price that you are getting a quality that much better.

I believe these are things that need investigation. The government should apply the same standards, the same enforcement, to the things the farmers buy. I particularly want to mention mill feeds. I was at a farmers' meeting just prior to coming to Ottawa and was shown some samples from a sack of mill feed, crushed oats as a matter of fact, from some milling company on the prairie. It was a positive disgrace. The sample was full of wild oats and other weeds, and was far below standard. I believe there is a great deal more that has to be done in this regard, and action should not be taken merely with respect to those commodities the farmers produce.

As I said before, I believe the bill is necessary, and it tidies up the legislation. When the minister replies I should like him to inform the house whether the farmers' organizations were consulted about this legislation. Have they been asked for any suggestions or recommendations? This is a very important piece of legislation so far as the marketing of farm products is concerned. I feel the major agricultural organizations should have been informed of the government's intention and asked for any suggestions or advice they wished to offer.

In conclusion, Mr. Speaker, I again say that the legislation seems to be sound and necessary, but I do hope the government enforces similar national standards on the products the farmers and other consumers have to buy.

Mr. Gardiner: Mr. Speaker—

Mr. Speaker: If the minister speaks now he will close the debate.

Right Hon. J. G. Gardiner (Minister of Agriculture): Probably I should make a few remarks in reply to what has been said by different hon. members. There was some discussion on third reading of the meat products bill which really relates to this bill, and probably I should make a remark or two with regard to that.

The meat inspection bill, which had its third reading a little while ago, does not provide for the employment of any immediate additional staff to those we have now and no change from the present act as to the future. The staff provided for in present legislation will take care of our activities in connection with both these measures. Then there was a suggestion the other evening which left the impression that the meat inspection act might have been dealing with some of the matters with which the bill now before us deals. The meat inspection act does not cover grading. The meat inspection act deals only with health inspection and sanitation, and therefore does not provide for grading in the sense this bill does. I just wanted to make those remarks as they may have some bearing on the discussion that may take place in committee.

The purpose of the new bill is to provide acceptable uniform authorities for establishing grade standards, and to perform the grading and inspection of all agricultural products previously covered by five separate acts administered by the Department of Agriculture. The new general bill is patterned after the Canada Dairy Products Act, enacted in 1951, which has proven satisfactory for dairy products. It provides authority for establishing substantially the same regulations as now exist, but is considered to have the purposes and intentions more clearly defined and restricted to the established and accepted field of federal jurisdiction specifically related to the grading and quality standards of our agricultural products.

In dealing with the other bill the other day I believe I said some question has been raised in the courts as to whether some of these measures are intra vires. That was one of the reasons it was thought wise to introduce this bill now. The bill will provide, as in the past, for the actual grading of certain products by federal graders, and for others the application of established grades and standards by the trade with subsequent checking of the applied standards by federal inspectors, and detention until they are made to comply with the official standards. The provisions of the bill will apply where the products enter into interprovincial or export trade, or where as the result of legislation on the part of the provinces or action on the part of the individual the product bears a grade name established pursuant to this act.

The grading of a product moving intraprovincially will, therefore, depend upon action by the provinces. In addition to defining standards and carrying out grade inspection operations the bill provides, as in the past, for a regulatory service with respect to such matters of packaging, marking and shipping products and the operation of grading establishments dealing in products exported from or imported into a province.

These remarks are related to what was said a few moments ago by the hon. member for Moose Mountain (Mr. McCullough), who was suggesting that certain things might be done which were proposed back in 1934. As a matter of fact the marketing act which was drafted as a result of the committee's report in 1934 went to the courts and was declared ultra vires. No effort has been made since then to pass similar legislation.

The reason for that is that the provinces deal with these matters. The questions which were raised a few moments ago concerning the price of meat in Toronto and the price of meat in Winnipeg, as between retailer and consumer, are matters which should be dealt with provincially. If we attempted to put in this particular legislation anything relating to that matter it would be declared ultra vires, just as the other legislation was. In other words only a small percentage of the meat products produced in a province are consumed outside of that province. Most of the meat products that are produced in a province are consumed in that province.

This is largely true of the older and more industrialized provinces, such as Ontario and Quebec. They consume more of practically all these farm products than they produce, but that does not mean there is no trade as between the provinces in these products.

Perhaps the greatest exporters of surplus meat products are the provinces of Alberta and Saskatchewan. They do produce large quantities of meat, some of which goes to Ontario and some to British Columbia. Much of the Alberta meat goes to British Columbia, and some of it goes down along the western coast. On the other hand, much of what is produced in Saskatchewan finds its way to Winnipeg, and some of it finds its way to Toronto and Montreal. In so far as these products are concerned, of course, we have something to say about them. In so far as practically all the meat products produced in Ontario are concerned, which are not shipped to the United States or not shipped to Montreal to be consumed there, they are consumed within Ontario.

I should like to say a word in reply to the hon. member for Moose Mountain by stating that there are only two provinces in Canada that have paid very much attention to the matter of marketing boards. One of them is British Columbia, where they have a very complete system of control over the marketing of their fruit and other products. Then in Ontario there are 18 different boards handling 18 different farm products, one of which is hogs. But so far as I know we have no boards in the province from which my hon. friend comes, and they keep suggesting that we ought to have a federal department do their work.

Well, the experience has been that it is difficult to have a federal board to do the work which it has been suggested should be done. Any attempts that have been made to do it have resulted in difficulty for those passing the legislation. But amendments are being asked by Ontario, which has set up many of these boards, and legislation is being asked by some who are active in British Columbia. Also legislation is being asked by some of the other provinces which we propose to bring down, and which will amend the legislation which does have some control over the relationship between the selling of the product within the province and the selling of it under similar terms outside the province.

Just to answer the suggestion made by the hon. member for Kootenay West (Mr. Herridge), it is our intention to bring some legislation before the house along the lines of the representations which have been made. Representations have been made by farm organizations and also by representatives of the governments I have mentioned. They have come here asking for legislation, and legislation is under consideration to make it possible for the legislation they have in the province to be more effective than it could be without the amendments. I have suggested on a number of occasions to those in my own province and to those in other provinces similarly situated, that the method being followed in Ontario and British Columbia, and to a limited extent in some of the other provinces, could be used more extensively in the provinces where very little use has been made of it.

That is the question which has been investigated by a committee set up in Saskatchewan and, in a little different form, by a committee set up recently in Manitoba to examine into the possibility of operating boards controlled by the farmers themselves in order to market these products. But when we come to deal with a product produced in Ontario and placed on the market in Toronto, where it is sold to someone living in that city; when we are asked to do something about it here—well, I am afraid the experience and judgment of the past have indicated that this can be done only by the people of Ontario through their own legislature. They have very effective ways of dealing with it and, I must say, in some directions have done more in an effort to grapple with the problem than has been done in some other provinces. This bill is intended only to deal with exports either from one province to another or from this country to some other country.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Short title.*

Mr. Charlton: I note that in the interpretation clause "agricultural product" is interpreted as—

—livestock (including fur-bearing animals raised in captivity)—

My understanding is that this deals with the grading of the agricultural products discussed on another bill which, as the minister said, had to do with health. This refers to the grading of all meat and other products, does it? I understand it refers to all agricultural products?

Mr. Gardiner: Yes, all agricultural products.

Mr. Charlton: And live fur-bearing animals; is that true?

Mr. Gardiner: Yes, live fur-bearing animals.

Mr. McCullough (Moose Mountain): Mr. Chairman, on clause 1, the Minister of Agriculture said most of the livestock products produced in the various provinces were consumed in those provinces. Would he put on record the livestock products produced and

consumed in each province? I cannot agree with what he has said so far as its application to Saskatchewan is concerned. Over the years we export great numbers of our hogs and beef cattle. I suggest the minister should assist the committee by putting on record the amount of livestock that has been exported from and not consumed in each province in the last five or ten years.

I might say that in Saskatchewan our position is somewhat different from that of the other provinces. It is true that most of the livestock products produced in Ontario are consumed here. Saskatchewan, however, is not in that position, because some of our agricultural products go into interprovincial and export trade. The amount is not so great now because we are not producing so many hogs. However, if my memory is correct in 1944 we produced 6 million pounds for the export trade.

Mr. Gardiner: Mr. Chairman, I shall have all these figures when my estimates are before the committee. Naturally I do not have them with me at the moment, but I can say that before coming into the house this afternoon I was looking at some of the figures, in preparation for my estimates, and I believe the total for right across Canada indicates that about 10 per cent of our production enters into export trade, while the remainder is consumed in Canada.

However, that does not answer the question the hon. member has raised as to what is consumed in the province of Saskatchewan and what is exported to some other province or country.

Mr. McCullough (Moose Mountain): It does not answer my question, or answer—

Mr. Gardiner: I was not attempting to answer the question. I had asked permission to answer it when my estimates for the livestock branch are before the committee.

Mr. McCullough (Moose Mountain): It is possible that in Saskatchewan we could look after the marketing of our livestock products if they were all utilized within the province. However, when we enter into interprovincial and international trade it is a different problem. I do not believe the approach to the problem of the assembling and marketing of our livestock products can be accomplished purely under provincial law. I think the federal government has to take some responsibility, just as it is taking responsibility in the matter of food grading standards. The livestock producers are entitled to a national set-up of this kind, as was advocated by the royal commission in 1934. This would be a national livestock board, which would facilitate the assembling and grading and control, the whole process of marketing of our livestock products.

Mr. Fulton: Would the minister say a word at this stage regarding arrangements now in existence between the dominion and the province where the province does have grading regulations? I am thinking, for instance, of British Columbia. What arrangements are in existence there to ensure that when a livestock product is brought into the province —and it must be realized that the provincial government has no control over its being brought in; they cannot keep it out—whatever grades or standards are laid down shall comply with the provincial grades or standards?

The other question relating to that matter is this. My understanding is that a conference was recently held in Vancouver between provincial and dominion livestock grading and inspection authorities. I have not been able to find any report of the outcome of that conference. Will the minister confirm that I am correct in understanding that there was such a conference, and tell us what was the result?

Mr. Gardiner: I presume what my hon. friend has reference to in the way of a conference is the discussion that took place there earlier in the year with regard to some misunderstandings that existed in connection with the marketing of some products; but I do not know that there was any definite report made in regard to it other than the report that went out in the press at the time the meeting was held.

With respect to the matter of grading standards established under this act, the grading of course is done in the plants and elsewhere at the time the product is being prepared for shipment. If it goes into export, of course, the grading must be done by inspectors whom we have appointed. It will not be accepted elsewhere unless it has a certificate indicating that it is of a certain grade and quality. This all carries through, as I understand it, until it gets to its destination. Saskatchewan, for instance, sells hogs of a certain grade, or they sell other products on grade, believing that the grade is established under this inspection. When they arrive at their destination they are paid for on that basis, but I am not sure that we have very much control after that. The product then becomes the property of someone who lives in that province, and it is sold from there on under the laws of the province, as I understand it.

Mr. Fulton: That was the basis upon which I asked my first question. When it gets into

that province to be sold there, does it conform to the provincial grading standards, if any are laid down? There are such standards in my own province and, as the minister pointed out, in Ontario also. It was with that background, and with the information I had that there was a discussion between the dominion and provincial authorities in British Columbia within the last six months or year, that I asked what information and what results have followed from that conference, because it is obviously important that meat or livestock products brought into British Columbia from outside be required to comply with the dominion grading regulations before they are exported from Saskatchewan.

It is important that these grading standards should conform closely to the grading standards and regulations of the province of British Columbia where the product is to be sold; otherwise the whole situation would become extremely confused. If a dealer in British Columbia bought a certain federal grade in Saskatchewan, and when the product arrived that grade became meaningless because the grading regulations of the province of British Columbia required some other standards, then it is obvious that there would necessarily be a conflict. I understand that the conference or meeting to which I referred was called to discuss ways and means of ensuring that the two sets of grading regulations and the enforcement of those regulations would always be in conformity. I am wondering whether the minister can tell us if there was any positive step taken as a result of that conference.

Mr. Gardiner: That of course has been a matter of discussion for many years. It was under discussion long before I came here, and it has been under discussion now for 20 years since I have been here. The solution was found before I had anything to do with it, or before many of the members of this house had much to do with it. The statements I was making a few moments ago were based upon my knowledge of the legal position, and my knowledge may not be as good as that of the hon. member who has just spoken in regard to that side of it. But in order to get the results which he and others desire, the arrangement was made a long time ago that if there is to be a standard at all across Canada, it must be a standard set up by the federal government.

For many years there was some dispute as to whether the standards set up for dairy products were to apply everywhere. My memory of it is that the last province which came under the arrangement was Manitoba. They were consuming practically all of their butter in Winnipeg and other places of that kind, and they did not wish to conform to the federal standard. Eventually they did so, and when that happened they did just what others had been doing in a broad sense all across Canada for some years. They accepted the standards which had been set up here as the proper standards.

We appointed inspectors to establish those grades for butter, as we had for all other products that were going to be traded interprovincially or internationally. Then the provincial inspectors inspected the product that was to be sold within the province itself. But to just leave it that way you would have to know all the time what product was to go into interprovincial trade and what was to be sold within the province. In order to overcome the impossibility of knowing that, when an inspector is inspecting a product that eventually goes out of the province, he is a federal inspector. Whenever one of our inspectors inspects a product which is sold within the province, he is acting as a provincial inspector.

That arrangement, which was entered into years ago, has been carried out consistently over the years, in order to make it legally possible to have all the products so inspected that are to be sold either internally or shipped out and sold outside. The legal position, though, is that which I stated a few moments ago.

Mr. Fulton: That was the arrangement with respect to dairy products. Does it also apply to meat products?

Mr. Gardiner: It applies to everything.

Mr. Fulton: In effect, it is the standard or grade laid down in Ottawa by the regulations under this act, and it becomes the grade for the whole of Canada?

Mr. Gardiner: They are established within a province so long as the province agrees to it. The grade is established and is the same all across Canada. I think practically all the provinces have agreed to it with most products. There may be individual cases where they have not.

Mr. Fulton: We passed a statute here called the Agricultural Products Marketing Act, for instance, under which the dominion government delegated to any province setting up a competent authority, and wishing to exercise what would otherwise be a federal jurisdiction, control over the marketing of the agricultural products concerned. What I want to know is whether any discussions have been held with the provinces with respect to a similar situation regarding the control of grading, so that eventually we might have

a really legally enforceable and ironclad system of grading across the whole country on the same basis as meat inspection.

Mr. Gardiner: Did the hon. member say grain?

Mr. Fulton: Grading.

Mr. Gardiner: Grading of grain?

Mr. Fulton: No, grading of meats or other agricultural products.

Mr. Gardiner: There is of course the system I have just mentioned. What we have are nationally established standards for all these products. The intention of this bill is that where some things were being attempted which were not within our authority, those things are removed from the bill. Where there is any necessity of doing something further in order to make certain that there are standards right across the country, that is done. We are always keeping in mind the fact that we have certain authority, while the provinces have other authority.

Mr. Castleden: I have another question along the same lines. I was just going to remark to the minister that one of the things the producer finds it difficult to understand is that when he sells a C grade hog he gets a price considerably below that for an A grade hog, but when he goes into a butcher shop to buy pork he finds that there is no grading. Will this legislation make it possible for the consumer to go into a butcher shop—or into a grocery shop when he is buying cheese or fruit—and know the grade of the animal from which a particular cut is obtained?

When an animal is being processed in the slaughterhouse the government grader marks it A, B or C, as the case may be. Will this legislation make it possible for the consumer to identify the grade on which the farmer has been paid for the animal, or will there be no change in the present set-up? At the present time it is impossible for a consumer to know this except perhaps in the case of high-grade beef, where you will find it marked red brand or blue brand.

Mr. Gardiner: While my hon. friend was speaking I was watching the expression on the face of probably the one man in the house who knows the answers. He sits across the floor, and has spoken already on two occasions when these matters were up for discussion. He has indicated that in most butcher shops or most places where meat is sold what my friend is suggesting is done in a very big way is not so done. As a matter of fact most housewives know just about as much about meat as the individual who is selling it.

Mr. Castleden: Oh, no.

Mr. Gardiner: My friend says, "Oh, no". Apparently his wife is not like mine. These women can go into these shops and pick up a cut of meat, and they know whether it is top quality, even if the grade is not marked on it. I remember going through the Smithfield market over in Britain with a gentleman who was showing me just how good the meat was. He would take a poke at it with his thumb as he went by and say, "Look at that." He could tell by the action of the meat whether it was good.

I am simply suggesting that people who are going in and buying meat every day are not necessarily being taken in. I do not think that happens in so many cases as is suggested. I believe one can usually find out what he is buying. I sometimes buy meat, and when I tell the butcher what I want, if he has not the particular grade I ask for he will tell me. You can get the best meat if you know what it is when you are buying it.

As a matter of fact I was up in London just two weeks ago and bought a cut of meat marked with the grade. There was some question in my mind as to whether it was as good as it looked, but when we took it home and cooked it, it was just as good as the butcher said. I do not know of anything either the federal or provincial government could do that would safeguard everyone who walks into a butcher shop and buys just what he sees. In any event, much of that would require to be dealt with provincially.

Mr. Castleden: I am sure we have all enjoyed the minister's trips to butcher shops around the world, but I still submit that it is not possible to tell when you are purchasing pork or some kinds of beef whether you are getting A or B grade.

Mr. Gardiner: It is possible for me to tell whether it is good; speak for yourself.

Mr. Castleden: I am speaking for a large number of people who find when they go into a butcher shop to buy meat that they cannot tell whether it is A or B grade. There is nothing to indicate that. Of course the top grades of beef are marked red brand and blue brand, but I maintain that there is a wide discrepancy between the grades as they are established and the meat that is finally sold to the consumer. I submit that is the sort of thing that could be prevented by effective legislation.

We all know that years ago certain countries marked their beef and pork grades, their hams and so on, and I am asking the minister whether under this legislation it will be possible to government grade products

of this type so the consumer will know what he is buying. These grades would be known across the country as indicating top grades of meat. They would be known to the producer and to the consumer. The producer would know that when he got into a particular grade he would be paid for it, and the consumer would know what he was buying when he bought a particular grade.

Mr. Gardiner: That is done now.

Mr. Castleden: Is it done with all meats?

Mr. Gardiner: You have red brand and blue brand beef, and the top grades of pork are marked. You can find the marks if you look for them.

Mr. Castleden: How about the other grades right down the line? I support this legislation because I believe it is a good thing. I believe it will help the provincial legislation by setting up standards known right across Canada. But what we are anxious about is that these grades be understood, that the consumer should know what he is getting, and that the price he is paying is reflected in the price paid to the farmer.

Mr. Coldwell: Mr. Chairman, I do not want to prolong the discussion but I do have a great deal of sympathy for what the hon. member for Yorkton has said. Like the minister, I also buy meat and I know the difference between the various cuts and grades. But there is one meat which I think is being palmed off on the public as something which it is not, and I refer to lamb. Lamb is not marked as lamb. I know I have gone into a butcher shop and asked for a light leg of lamb and been told that all they had was a half leg of lamb. I could tell from its colour that it was not lamb, that it was light mutton.

I think what the hon. member for Yorkton has said is quite true, that many people buying meat cannot tell the difference between one grade and another, or whether it is lamb or mutton. If lamb is passed by the inspector at the abattoir it should be stamped as being lamb, because that is one meat which is sold extensively in this country as lamb when many times it is not.

I think that is one reason many people say they do not like lamb, which in my opinion is one of the best meats. I am personally very fond of it, and I do know that people often buy what they think is lamb but when they get home it is actually mutton. As the minister knows, it is quite a different colour from lamb. The marking of lamb is the point I wished to raise.

Mr. Yuill: Mr. Chairman, I did not intend to say anything today on this bill, but there seems to be a great deal of confusion here. I believe I happen to be qualified to offer a comment or two.

With regard to hogs, there was a question in the mind of my hon. friend as to why the producer did not get the same retail value out of a C hog as out of a select hog. The loin of pork is the basic ingredient in a hog. The reason that hog is a C hog in the first place is the excessive fat. By the time I buy it, as a retail butcher, the packing plant has trimmed that loin down and taken off that excessive fat. Consequently when it gets into my shop there is no man in this house or in this city who can tell the grade that hog had been when it went into the packing plant.

An hon. Member: The minister can tell.

Mr. Gardiner: Just to explain that further; as my hon. friend said, I emphasize the point that the only reason it was graded C was the excessive fat, but the excessive fat was trimmed off.

Mr. Yuill: The quality is identical. There are many other things that enter into this question. There seems to be a general opinion that if you market a red brand you get paid for a commercial. I do not think that is true. Some of these producers must learn that if you market an inferior quality, you get a comparable grade. If they would place more emphasis on the production of high quality animals then their troubles would disappear.

I have handled a good many tons of meat, and I have seen grades in all provinces. I keep my weather eye open. The blue beef is the same in Ontario as in any other province. The same applies to the red brand. In many cases, from the point of view of eating quality, commercial is just as good as blue or red. It has not been properly finished and you do not get quite so much fat, but if you get a commercial or a blue or red, with the exception of the excess fat I doubt if you could notice any difference in the eating quality.

An hon. Member: But the farmer would get a different price.

Mr. Yuill: You get a price according to what you sell. If you sell a commercial grade you get paid accordingly. You cannot market a commercial grade and be paid a red brand price. I quarrel with the discrepancies that sometimes prevail between what the packers pay for meat and what we as dealers pay for it. There is room for argument there, but not in this case. Once beef is graded, whether it be red, blue or commercial, I'll bet my bottom dollar that grade will stand the test across the board in every province in the Dominion of Canada. Those are things we

have to be fair enough to realize. For instance, if you come into my store and I try to sell you a commercial grade by telling you it is red brand; I am just deliberately lying. There is no retail merchant who does not know the difference. If they resort to skulduggery and try to flim-flam the public, one dose of that should be enough for anybody. I do not believe they do that as a general practice. I have seen in many big stores and in my own store, people who want the red brand because they enjoy the excess fat, but I have seen other people who do not want that. If I offer them red brand they complain because of the excess fat. So I have to have in my own shop two grades in order to satisfy the wishes of the customers.

I will agree that this is a common practice. I have seen it here in Ottawa, and I have seen it out in the west, so I suppose it is common across the board to find a certain amount of misrepresentation over the counter so far as the true grade of the beef is concerned. But I think that is beside the point. That is something that could be dealt with apart from grading. It does not necessarily mean that the grade has been tampered with. If the animal is bought as a commercial and cut up and sold as a red brand over the counter, it is not the fault of the initial grading. I believe the grades are honest, and I believe they are uniform.

I would ask those who can do something about it to have a look at these practices whereby commercial is offered under the guise of blue or red brand. I have seen that happen so far as pork is concerned. I have seen it happen with heavy loins that came from No. 1 sows and heavy hogs. Of course we as retailers have to pay the same price. But that is getting into a different grade again. True enough these indiscretions do occur, but you differentiate between a C and a select hog to ensure that you get a square deal over the counter. As I said, the excess fat is trimmed off and that brings it down to the same basis of quality, whether it is a C or a select hog.

As far as lamb is concerned, you have the same grades there. You have lambs and yearling lambs, as they are sometimes called, and you have mutton. If you go into a butcher shop and they try to sell you a half leg of mutton at the level of lamb, that is not the fault of the grades. The grade in the first place was honest. If somebody tries to introduce a little skulduggery over the counter, that is not the fault of the initial grading. People who are getting an unfair deal should look around for a dependable butcher. Government grading has nothing to do with it. Government grading is not the culprit at all in this case. If they get commercial beef and wrap it up and put it on the counter under the guise of red beef, it is not the fault of the original grader; it is the fault of the man who is selling it to you over the counter.

The sooner we realize what is involved there the better, instead of jumping to conclusions and feeling sorry for ourselves if we market commercial and expect to get red beef grade. The producer must realize that he must first of all get a higher standard of animal, and then see to it that he finishes it properly before he puts it on the market. Then he will have no worries.

Mr. Gardiner: Mr. Chairman, on a point of order, I believe these matters under discussion are dealt with in sections 12 and 13. If we can get on and pass a few sections we will reach a point where we can talk about them. The general discussion was on second reading. We have allowed considerable leeway in discussing this section, and I think we ought to get along.

Mr. Charlton: As the discussion has gone so far, perhaps some of it should be answered. The minister says he can tell any grade of meat he buys when he goes into a store.

Mr. Gardiner: The hon. member for Jasper-Edson told you that by the time the fat was trimmed off they were both the same.

Mr. Charlton: I greatly regret that statement being made in the house, that a C grade hog is just as good as an A grade hog. It is not. I do not care whether the hon. member for Jasper-Edson says that is so. Because the fat is trimmed off, and it looks as good, it does not make a C grade hog into an A grade hog. The minister will certainly admit that. Certainly our grading regulations are wrong if that is so.

Mr. Gardiner: Let us discuss that point. One of the reasons you have a C hog today is that there is fat on it, and the fat is cheap. That is the main reason. There have been times since I have been here when lard was expensive and when, if you left too much fat on the cut, it made it more expensive, not less so. But at the present time fat is cheap. Lard is cheap. If you put too much fat on a cut of meat, then of course you cheapen it. Then when someone buys it and cuts some of the fat off, it is not as cheap as it was before. In spite of what my hon. friend says, some people think you cannot have good meat unless you have quite a bit of fat on it. They like it that way.

Mr. Charlton: That is perfectly true. I have seen many steers marketed that had too much fat on them to draw the top price.

Mr. Gardiner: That is right.

Mr. Charlton: Because there is too much fat. As the hon. member for Jasper-Edson says, for commercial purposes it may be just as good in some circumstances, but that is what we are arguing. The producer is docked on a low grade, while in many cases the consumer pays the same price for that low grade as he does for the top grade. That is what we are arguing about.

Mr. Gardiner: With the fat trimmed off he will not.

Mr. Charlton: We should like to see these grades follow all the way through to the consumer so that the consumer can get the advantage in proportion to the money the producer is paid. When the minister says he can tell all the different grades of meat in the store, I would suggest that in a chain store he cannot go around poking his fingers into it like the man did in England. Quite often there is no one in a chain store to ask. You must go by appearance, because there is no one to answer your questions. You pick up a package of meat there, put it in your basket and pay for it. Is the meat all marked whether it is red or blue brand? Of course it is not.

Mr. Gardiner: It would either be marked or it would be good when I took it home, or I would not go back to the store. Not many of the chain stores are doing that kind of thing.

Mr. Charlton: That is perfectly true. But all the consumers are probably not as smart as is the Minister of Agriculture.

Mr. Gardiner: Yes, they are.

Mr. Charlton: Evidently they are not, because the minister says he can tell all the good meat from the bad. I admit quite freely that I have been fooled many times on the quality of meat. I should like to see the minister tell the difference between a ridgling pig, for instance, and one that has been treated properly.

Mr. Gardiner: I can tell when he is alive.

Mr. Charlton: I doubt that very much. You might not even be able to tell after he is killed. As the hon. member for Rosetown-Biggar mentioned, what about the difference between lamb and mutton, or a light sow and a grade C? Could you tell the difference? No, of course not, in many cases. I should like to ask the minister this question. Are all agricultural products brought under this bill? According to the definition we find this:

(a) "agricultural product" means livestock (including fur-bearing animals raised in captivity), eggs, poultry, milk, vegetables, fruit, honey and maple syrup, and products thereof;

The Chairman: Order. That brings up the point of order which was previously raised by the Minister of Agriculture. As hon. members know, on clause 1 we usually allow a general discussion. Do I take it that clause 1 is carried and that we are now discussing the particular sections? The hon. member is now referring to clause 2.

Mr. Charlton: I asked a question on clause 2 before.

Mr. Gardiner: Yes, but I could not answer it.

Mr. Yuill: I want to tell the hon. gentleman this. If he is a farmer—and I presume he is—he knows that if you market a C hog or an A hog, they are the same age and they are the same weight, generally speaking.

Mr. Charlton: They might be.

Mr. Yuill: The reason one is C and the other is A is that one has excessive fat. When that fat is trimmed off and the meat is put on the market, just let him tell me how he or anybody else can tell the difference.

Mr. Charlton: I did not say I could tell the difference.

Mr. Yuill: Nobody can tell the difference. I have put in more years in the meat business than I care to think about. I have cut tons and hundreds of tons of meat. I know what I am talking about. There are things that are wrong about our marketing practices. I know that. But there is one thing I know is true, and you know it too; or if you do not know it, you should. There are good and sufficient reasons for grades. If the animal measures up to A grade, you get A grade. If it is a C grade, in the case of hogs it is because of excessive fat, not because of age or because of size. It must come under a certain weight before it qualifies even for that. If it gets beyond that, it is a heavy. But you need have no worry in the world if you buy C grade pork loins that are trimmed in the orthodox way. I will bet my bottom dollar that you will never be able to tell the difference. I could put it in there and you could not tell the difference.

In this business Social Credit might be able to tell you a few things that would be good for you. We believe in justice and truth and in telling what is what. We do not try to misrepresent anything. There has been a good deal of skulduggery here in trying to misrepresent things, and in trying to read into matters mentioned here things that do not belong. I do not think that is our

function at all. We are here to deal honestly with these things. That is what I am trying to do. I can give you, if you want to accept it, the value of my years of experience. I know the grades. If I have the privilege of operating on a carcass of beef here I could give you a bit of a lesson. If I had a hog here I could show you a few things, and give you a little sense of perspective.

An hon. Member: Maybe you had better bring one in.

Mr. Yuill: I think basically we cannot beat political drums on this thing. We are here to deal honestly with the situation. If you have a grade, it is established across the board. These other things that enter into the picture off the record have no point whatsoever with regard to condemnation of the grades as they exist today.

The Chairman: Shall clause 1 carry?

Mr. Bryce: I do not know whether or not I should get into this discussion. On one side of me I have a butcher with 40 years' experience. Across from me is a man who has been the Minister of Agriculture for 20 years or more, and to my right there is a veterinarian. If they do not know good beef I do not know whether a dirt farmer should get into this argument.

However, I am going to tell you one thing. Nobody talks about B grade. That is where the producer gets trimmed. I know my hon. friend will tell me there is no difference between an A grade and B-1 grade. He knows the only difference is a pound of pork and you cannot see where it is, whether it is for the producer or against the producer. That is something the minister could straighten out.

As for the man who produces a B hog according to the grades that have been set up, he can be trimmed to the extent of about $3.50 on that one pound of pork. I have explained the matter to the minister. The minister knows it himself. There is no use of arguing any more about it. He knows it is a grievance the farmer has. It is something that should be made right. It is too much to take $3.50 off a man for one pound of pork, because his pig is a pound too heavy.

When I was saying something about turkeys the other day I was ruled out of order, but the minister said the matter would be included in this bill. I shall talk about my own province. I understand that it would be only the turkeys that would leave Manitoba and go to Ontario that would be subject to grading and that the turkeys—the 80 or 90 per cent of them—that we consume in Manitoba would not be subject to grading or if they were subject to grading it would not be necessary for them to be sold according to grade. That is the way I read it. Then the fur-bearing animals are mentioned. Does this mean that now the people who raise mink will have the furs graded before they are sent to the New York market?

Mr. Gardiner: Mention is made of fur-bearing animals raised in captivity, but you are now going on to clause 2.

Mr. Bryce: I might as well finish it while I am on my feet. What fur-bearing animals does the government mean to grade now? They grade them already in Winnipeg.

Mr. Gardiner: This act does not change what we have been doing. It just provides a little different means of continuing to do it. This is a consolidation of five measures into one.

Mr. Bryce: You are only stating the grade. The hon. member to my right says you do not grade them now. I understand the pelts were graded before they went to the New York market, but do I understand there will be no government graders?

Mr. Gardiner: Yes, there will be government graders.

Mr. Trainor: With regard to the fur-bearing animals, I should like the minister to tell the committee how he proposes to carry out this grading. Does he propose to grade them according to the fur quality, or does he propose to take into consideration such things as breeding and blood lines, which are far more important to the producer than the individual fur quality? So far as the grading of pelts is concerned, I never knew there was such a thing as government grading. At the fur auctions the pelts are graded, but of course they are graded by the fur auctioneers themselves without any government intervention. If I am wrong I wish the minister would put me right on that. I have had some experience in this connection, and happen to know something about it.

The Chairman: Surely that is a particular question which must be answered under clause 2 of the bill. May I take it now that the general discussion is ended and we are ready to carry clause 1?

Mr. McCullough (Moose Mountain): No, Mr. Chairman; I do not intend to allow the first clause to be carried without challenging something that was said by the hon. member for Jasper-Edson. I was most amazed at what he had to say. This is not the first occasion when he has mentioned in the house his long experience in the

retail trade, and I do not quarrel with him about it. I think perhaps he is an expert in that business. However, he did use some-phrases such as "off the record" and "skul-duggery" and other words in connection with the retail trade.

I, for one, want to ask him how he can argue that the grades are satisfactory—he seems to start with the idea that they are satisfactory—and at the same time admit quite frankly that when a grade C and a grade A hog are trimmed there is no way of determining which is which. From the farmers' point of view, if the hog is one pound over weight it represents a $3 or $3.50 loss to the farmer.

Mr. Gardiner: It depends on where you start to count the pounds.

Mr. McCullough (Moose Mountain): What we in this group are trying to do is have the government assure us that the grade for which the farmer is paid by the livestock trade, or the packer to whom he delivers the animal, will be continued right through to the consumer. We are not satisfied that this bill is going to do that. The minister tells us he has been over in Britain and has seen the health inspector poke his finger into different cuts of beef to determine whether or not it is choice beef. If that is done by the health people, he might as well call in one of the other inspectors to determine whether or not the meat is fit for human consumption.

I want to say this. There are thousands of young couples getting married who do not know the difference between choice beef and commercial grades. There are thousands of men who go to the market to buy beef for their families who are not experts at identifying the different grades. If we are going to have producers forced to follow some type of national grading, then those producers have a right to the assurance that the grade for which they are paid by the packer will be carried through to the consumer.

Again in answer to the hon. member for Jasper-Edson, I might say that now there is no assurance to the producer that the cattle he sends to the livestock yard and that are graded commercial will not be sold as red brand beef. There should be no reflection on us for trying to get confirmation from the minister that these grades will be carried right through to the consumer. I want to say to the hon. member that the farmers are concerned. They are willing to take the price for the grade they send to the market, and it may be commercial grade, but at the same time they want to be sure that grade is carried through to the consumer.

Mr. Yuill: I did not intend to stir up a hornets' nest like this. I still think I am right. I contend that misrepresentation in any particular butcher shop has no relationship to the established grade of that particular commodity. So far as the penalty for an overweight hog is concerned, I regret it just as much as anyone. However, of necessity there must be a deadline or a target weight established for any particular class. It may be too light, but if you raise it five pounds you will have the same problem. Someone will have a hog that is six pounds over the former weight limit. No matter what you do you run into that type of problem. I do not know who is to blame for it, but I imagine it is the producer. If I were a producer of hogs and I got caught with a loss of $3.50 per head because the hogs were one pound heavy, I believe I would smarten up and market them a little bit lighter. That is the way I would do it.

I may be wrong, but I do not believe the hon. member was fair in his comparison between the grade C and first grade hog. When the excess fat is removed the eating quality of the two animals is the same. There is, however, a shrinkage value of the hog, depending upon the price of hogs. I know that, and he should know it.

Mr. McCullough (Moose Mountain): But the farmer gets $3 less for a hog when there is only one pound overweight.

Mr. Yuill: That is true, and I am just as unhappy over that as you are. These hogs must be below a certain weight in order to qualify for the premium. You have to draw the line somewhere. It may be too low, but I would hazard a guess that if you raised the weight five pounds, inside of a week you would have the same condition prevailing. The farmers would produce hogs six pounds beyond the former weight limit, and they would be unhappy about it.

Mr. McCullough (Moose Mountain): The retailer can get that $3.50 when he retails the hogs.

Mr. Yuill: No, you are absolutely wrong. If I buy that as a dressed hog and have to trim off the excess fat, render it down and sell it as lard for 15 cents a pound when a loin of pork is selling at 50 or 60 cents a pound, who absorbs the loss? Is it the farmer? You have to be sensible, that is all. These things have no relationship, as I said before. There is no relationship between the true grade and what it is represented to you as over the counter. If you go into the city of Edmonton, for instance—I do not know

what conditions prevail in Saskatchewan—you can go into the large stores like Eaton's or Hudson's Bay. You will find commercial beef there at a price considerably below that of the blue or red beef. The grades are put in their proper places, and they are priced properly. If one is looking for red beef he will find it at one counter and he will pay a certain price for it, but if he is looking for a bargain he will get the commercial beef at a considerably reduced price.

What is wrong with that? There is nothing wrong with it. That is the way you find it in my business. But, in common with others, perhaps because of an indifference concerning trade practices, I find that retail merchants will sell the commercial beef and charge for the red, if one is gullible enough to take it. But that has nothing to do with the grading in the first instance. That is just the human element coming into it, and it has no relationship to proper grading.

Mr. Herridge: I would like to ask the minister one question in an effort to clear up one of the greater mysteries confronting the housewives of Canada. It would seem that about 95 per cent of all Canadian sheep die before they become mutton. Could the minister tell the committee when a lamb graduates to the mutton class? When does the lamb become a sheep? At what age does this take place?

Mr. Gardiner: I am afraid I cannot tell you.

Mr. Herridge: It is fair to say that 95 per cent of the sheep in Canada are sold as lamb. I would like to be able to inform the women who have asked me when a lamb becomes a sheep.

Clause agreed to.

On clause 2—*Definitions.*

Mr. Charlton: I note that clause 2 (a) refers to "agricultural product", defining it in this way—

—livestock (including fur-bearing animals raised in captivity), eggs, poultry, milk, vegetables, fruit, honey and maple syrup, and products thereof;

My understanding is that this would mean any product that contained any part of any of these commodities; for instance, any product that contained a portion of meat or that contained any fruit, or that contained any vegetable. Is that what it means? Then it says, "and products thereof". I was thinking of margarine; would it come under this provision? It is partly a livestock product, partly a vegetable product or partly a grain product.

Mr. Gardiner: Margarine is not mentioned here.

[Mr. Yuill.]

Mr. Charlton: I know it is not.

Mr. Gardiner: Not every product that goes on the market comes under this bill; it is only those products that are graded, and properly graded. As the hon. member reads the bill he will find in it penalties for attempting to sell something with a marking not legally placed thereon. There is far more meat, and everything else mentioned in the bill, that never gets near a grader than is actually graded. For example, one hon. member who has been doing some talking has, in common with myself, bought beef from the same butcher shop for six years. There was very little meat handled in that butcher shop that ever got past a grader. They bought it from the farms around the area, slaughtered it and sold it.

This happens all across Canada. None of that meat comes under this bill, nor do other products in a similar position. It is what goes into a plant or an establishment as defined in the bill. The inspector is there and does the grading. It is marked and it goes out. If anyone attempts to dispose of it under some other marking he gets into trouble.

Mr. Charlton: Then would those commodities entering into interprovincial and export trade come under this bill, or would they come under the Food and Drugs Act?

Mr. Gardiner: Matters having to do with health would come under that act.

Mr. Charlton: There are products which contain portions of the commodities mentioned in clause 2 (a); do they come under the measure? Then it says "and products thereof".

Mr. Gardiner: The hon. member can find that out in court some morning when he is there as a witness. I am not going to give an opinion on it.

Mr. Charlton: I am not going to court. I think the minister should be able to answer the question. For instance, would margarine manufactured in Ontario and sent to Manitoba come under this measure or under the Food and Drugs Act? I note that one can be convicted for misrepresentation. If one were to describe margarine as pasture sweet would that be considered a misrepresentation? Does it come under this measure or under the Food and Drugs Act?

Mr. Gardiner: My hon. friend has just read the clause, and the English is as clear to him as it is to me. It says that "agricultural products" shall mean—

—livestock (including fur-bearing animals raised in captivity)—

It does not include those running around the bush, not in captivity. Then it says:

—eggs, poultry, milk, vegetables, fruit, honey and maple syrup, and products thereof;

Any decision as to whether the products my hon. friend has mentioned would come under this measure would depend entirely upon their composition. But I am not going to decide that question here. As I say it will be decided on evidence presented from time to time.

Mr. Trainor: Would the minister answer my question with regard to live fur-bearing animals.

Mr. Gardiner: The same applies there. It is the fur on the live fur-bearing animals that is graded. Some of them may be graded by federal inspectors.

Mr. Trainor: How does the minister intend to grade them? On what basis are they to be graded?

Mr. Gardiner: If they are graded they come under the act. Even where some things are not done as set out in the act, if an individual agrees to the product being dealt with under the act, then it is dealt with in that way. Outside of that, however, it is in certain defined plants.

Mr. Trainor: I cannot understand how the minister proposes to grade these animals.

Mr. Gardiner: I do not intend to grade them. Clause 3 states how it shall be done. It says:

The governor in council may make regulations establishing grades with appropriate grade names for any class of agricultural products and, without limiting the generality of the foregoing may, by such regulations—

—do all these things.

Mr. Trainor: The minister is out of order.

Clause agreed to.

On clause 3—*Regulations.*

Mr. McCullough (Moose Mountain): Clause 3 (1) (c) says the governor in council may make regulations to—

—prescribe fees that may be charged for the grading or inspection of agricultural products;

What does this refer to, and who would pay the fees?

Mr. Gardiner: I presume if a fee is set under the regulations the corporation, individual or plant asking for the inspection would pay whatever fees were set.

Mr. Castleden: Could this be interpreted as including livestock in any case? My understanding is that there are going to be government grades for choice animals, grades A and B, cutters, canners and so on, and that there are to be inspectors.

Mr. Gardiner: I have here a copy of the regulations respecting hogs. This document is six pages long, and I would not want to start to outline what it says. The same applies to other products.

Mr. Castleden: Will this establish government grades for live animals?

Mr. Gardiner: Yes.

Mr. Castleden: Live cattle and live hogs will be known and can be sold under government graded names.

Mr. Gardiner: They could be.

Mr. Castleden: I understand there are government standards for those animals. Does this provide for that?

Mr. Gardiner: Clause 2 (a) provides that livestock may come under the bill.

Mr. Castleden: Yes, it does. An agricultural product means livestock; it means an animal on the hoof.

Mr. Gardiner: Certainly. If they decide to grade that way. But action has to be taken under the act first.

Mr. Castleden: I am asking whether the government is going to do it.

Mr. Gardiner: I would not answer that.

Mr. Castleden: The minister is not prepared to say that the government is going to establish grades for the live animal, for the animal on the hoof.

Mr. Trainor: Is the minister prepared to tell us on what basis he intends to grade live fur-bearing animals?

Mr. Gardiner: I told my hon. friend twice that I did not intend to grade them at all. Under this legislation and under the regulations that may be set up under it, they can be graded. But I am not attempting at the moment to outline what these regulations may be.

Mr. Trainor: In other words, the minister is saying that the grading is not compulsory. Nobody will be obliged to have his animals graded.

Mr. Gardiner: That has always been the case. If I go across the road to my neighbour and buy an animal that I am going to kill there is no regulation under this legislation that compels me to go and get it graded, or compels him to have it graded before he sells it to me. If we attempted to do anything of that kind in this house, as I explained before, it would be ultra vires. We could not do it. The same thing is true

in regard to buying the pelt of a fox, a mink or any other animal. They do not have to be graded. If you want to make sure that you are dealt with in accordance with the regulations which are supposed to protect you and that you want to be brought under, you can carry on.

Mr. Trainor: The minister is talking now about pelts, which are an entirely different thing from a live fur-bearing animal, and can be graded on the animal.

Mr. Gardiner: It is a part of a live fur-bearing animal and can be graded on the animal.

Mr. Trainor: There is nothing in the regulations now which says that you can demand a government certificate when you buy a pelt.

Mr. Gardiner: It could be put there, you know.

Mr. Trainor: I do not see the purpose of the legislation in that regard.

Mr. Diefenbaker: I should like to ask the minister one question with respect to clause 3. From the reading of this clause it would almost appear that the federal authority does not have the power to do what is provided for in this clause, namely, to pass regulations to establish grades with appropriate grade names, and so forth. I raise the question simply for the purpose of asking whether it has been submitted to the law officers of the crown, and whether they, after consideration, determined the federal authority under part II? Did the law officers of the crown say that the federal authority have the power under the British North America Act to pass such regulations?

Mr. Gardiner: Of course, the provision is that no person shall:

> sell, offer for sale, or have in possession for sale an agricultural product under a grade name established under subsection (1) or under a grade name—

And that is, of course, a grade name established under the authority of this act. The paragraph continues:

> —or other designation so closely resembling a grade name so established as to be likely to be mistaken therefor.

This simply says, as I read it, that no one can misrepresent it.

Mr. Diefenbaker: I just asked the minister, has it been submitted to the law officers, because I cannot understand how the federal authority can have power to do that which the minister said a moment ago it would have under this clause, namely, to pass regulations grading livestock. In clause 2 (a) livestock is

referred to, as I recall the clause to which the minister referred a moment ago. I am asking under what authority the federal parliament is empowered to grade livestock. At the moment I am not dealing with meat, beef products and the like. I am asking, under what authority does this parliament have the right to pass legislation empowering the governor in council to grade livestock?

Mr. Gardiner: Well, the only answer that I can give at the moment is that I hold in my hand the authority to grade hogs alive, and we have had gradings of hogs alive over a long period of time. We also have it in connection with other livestock, but that does not mean that it is compulsory. If we attempted to make it compulsory, there might be something in what my hon. friend says. We simply say: here is the grade. If somebody attempts to sell under that grading and it has not been graded properly under that grading, he commits an offence.

Mr. McCullough (Moose Mountain): I just want to ask a follow-up question to that of the hon. member for Yorkton. Under this legislation does the government intend to establish rail grading for cattle? Does the minister contemplate any changes in the grading of hogs?

Mr. Gardiner: At the present time we do not contemplate any change in the gradings of hogs. Hogs are graded now on the rail and that provision seems to be pretty satisfactory. We get complaints from two sections of the country but not in anything like the same volume that we had a few years ago. With respect to cattle, so far as I know at the moment they have rail grading in British Columbia and under certain circumstances they have rail grading in the maritimes, but we have no intention of bringing it in.

Mr. McCullough (Moose Mountain): Would that not be established under a provincial statute?

Mr. Gardiner: It would be done under a provincial act if it is done provincially.

Mr. Charlton: Would the minister care to comment on whether it is going to have any effect on feeders bringing cattle from the west to Ontario? Will live cattle have to be graded before they are sold in Ontario as feeder cattle?

Mr. Gardiner: They will come in the same way as they do now. There will be no change.

Mr. Charlton: You could, under this legislation.

Mr. Gardiner: We could, under the act as it is.

Mr. Charlton: Yes, I realize that.

Mr. Gardiner: We are not changing the situation. It is as it was.

Mr. Charlton: If nothing of that kind is contemplated, it would be the same as the question the hon. member for Winnipeg South was asking with respect to fur-bearing animals. It will apply in the same way across provincial boundaries.

Mr. Gardiner: Yes.

Mr. Argue: Can the minister say whether under the regulations at the present time there are any standards for grades of live cattle? Under existing legislation, are there any federal standards or are there any standards that are likely to be established under the legislation now before us dealing with live cattle?

Mr. Gardiner: The people who are buying cattle do buy them believing that they will produce red beef or blue beef. A good judge of cattle can tell that when they are alive, and they are paid for on that basis, and a higher price is paid for them.

Mr. Argue: Do I take it from the minister's answer that there are no government grade standards for live cattle?

Mr. Gardiner: Well, I said at the beginning that there is no possibility legally of this government establishing a standard grade that must apply to the sale of all of anything that is produced in the different provinces. They can make provision that if it goes into export trade, or is traded from one province to another, then it has to be so and so; but that is the grade, that is the standard. To start to try to enforce it in all the provinces with regard to something that an individual is selling direct from the farm into a butcher shop and then is sold to a consumer in the same province, well, that is something that we have nothing to do with.

Mr. Diefenbaker: That is the point I raised a moment ago. It just cannot be done, and yet under part I the minister is asking for that authority. I can understand regulations being under part I, and if the regulations were under II, which deals with international and interprovincial trade, then I could understand those regulations having the authority of law. But part I deals with standards and under part I as it now stands regulations could be passed by the governor in council providing for the establishment of grades and proper grading in connection with agricultural products, including livestock, fur-bearing animals raised in captivity, poultry and other products which are named.

I ask the minister what was the reason for placing these powers under part I instead of under part II where they would be effective. Under part II there is no question whatever. As the minister clearly stated, the law would deny any grades being set up on cattle, livestock, poultry or agricultural products of any kind for sale within any one province. The federal authority enters into the matter only when the producer endeavours to ship out of the province in which the production took place.

I ask the minister: why part I at all? Why is not section 3 also placed in a similar position, or under section 5 which says that:

> The governor in council may make regulations for prohibiting the importation, exportation, or sending or conveyance from one province to another of an agricultural product contrary to a regulation made under this section.

I can understand the power under section 5 but for the life of me I do not understand how the governor in council has the power to do the things provided for in section 3 (1). Was section 3 (1) submitted to the law officers of the crown?

Mr. Gardiner: It was drafted by them.

Mr. Diefenbaker: They often draft things which have not been submitted to them for a legal opinion.

Mr. Charlton: Section 3 (2) provides that no person shall offer for sale or have in his possession for sale, and so on. That is what the hon. member for Prince Albert has reference to particularly. There is no mention of importation, exportation or anything else; there is just the bald statement "sell, offer for sale, or have in his possession for sale an agricultural product under a grade established under subsection (1)".

Mr. Gardiner: That is the only part that means anything.

Mr. Charlton: That is true, unless the agricultural product meets the requirements prescribed for the grade.

Mr. Gardiner: We are simply saying that if we set up a grade by marking and some person attempts to sell something which has not been legally marked—this is what was discussed here for an hour this afternoon—they can be prosecuted for misrepresentation. I may not be using the proper terms from a legal point of view but perhaps you understand what I mean.

Mr. Charlton: Part I does not mention anything about interprovincial trade, exports, imports or anything else; it refers only to standards. You say, "No person shall". That might lead one to believe that if a person in Ottawa sold an article here which was not graded he would be violating the regulations.

Mr. Gardiner: If a product is graded, say in Manitoba, and is sent into Ontario and then someone takes another product and puts it on his shelves claiming by marking it is the product graded in Manitoba, then he has committed an offence. It is not the fact that it is shipped from one place to another, it is the fact that he is trying to sell something under a description which does not exist. He is selling a product which has never been legally graded as marked.

Mr. Charlton: It reads:

No person shall
(a) sell, offer for sale, or have in possession for sale an agricultural product under a grade name established under subsection (1) or under a grade name or other designation so closely resembling a grade name so established as to be likely to be mistaken therefor,—

And then dropping down.

—unless the agricultural product meets the requirements prescribed for the grade, has been graded and inspected as required by the regulations, and is packed and marked in prescribed manner.

That does not mean that it has to come in from another province.

Mr. Gardiner: It does not matter whether it had. It has to meet the marking set up under this act, whether it is intraprovincial or interprovincial. You cannot take a marking or grade which has been set up under this act and use it to sell a product which has never been graded under the act.

Mr. Argue: Is this provision similar to any provision in the present acts, or is it something really new?

Mr. Gardiner: I have not read all the acts carefully enough to be absolutely certain, but I am told by those who have and by those who drafted it that there is nothing new in any of these matters.

Mr. Argue: Then as to the legal question raised, can the minister state whether anyone has been prosecuted for having sold a product as being of a certain standard set up by the federal government when in fact it was not? In other words, can the legal point which has been raised be substantiated by reference to successful prosecution in the past?

Mr. Gardiner: I am not sure that I can recite a case at the moment, but there were two or three cases brought before this house during this session dealing with substitutes for butter.

Mr. Charlton: In that case the provincial regulations would have to be substantially the same as the dominion regulations. In many cases the provincial governments make their regulations and grades in conformity with the federal regulations and grades. Is that not true?

Mr. Gardiner: That is right.

Clause agreed to.

Clauses 4 to 8 inclusive agreed to.

On clause 9—*Powers of inspector.*

Mr. Charlton: This states that an inspector may at any time enter any place and may require any person to produce for inspection, and so on. Is this carried over from the old act?

Mr. Gardiner: It is just the same.

Clause agreed to.

Clauses 10 and 11 agreed to.

On clause 12—*Damage and careless handling of products during shipment.*

Mr. Charlton: Under this section, if a trucker or railroad company accepted goods of this character for shipment they would be liable, even though they did not know those conditions were in existence. Therefore the trucker or railroad would have to make sure before accepting any agricultural product that it had been graded under these regulations. Am I right in that?

Mr. Gardiner: I would not think so. It reads:

(1) No person shall, during the course of shipment of an agricultural product that has been packed, marked or graded under this act,
(a) wilfully or carelessly damage the agricultural product, or
(b) handle the product in such a manner
(i) that it is likely to deteriorate in quality, or
(ii) that it is likely to fail to meet the requirements prescribed under this act for the grade applied thereto.
(2) For the purposes of this section, the expression "during the course of shipment" includes loading and unloading and any acts preparatory to loading, shipping or unloading.

The wording of it indicates that it has to be a wilful act or something for which he is responsible.

Mr. Charlton: That is damage through handling, but first he has to have a permit actually to transport it.

Mr. Gardiner: He may have to.

Clause agreed to.

Clauses 13 to 17 inclusive agreed to.

Bill reported, read the third time and passed.

PRAIRIE FARM REHABILITATION ACT

INCREASE IN AMOUNT THAT MAY BE EXPENDED ON MINISTERIAL AUTHORITY

Right Hon. J. G. Gardiner (Minister of Agriculture) moved the second reading of Bill No. 5, to amend the Prairie Farm Rehabilitation Act.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise to speak on this amendment and to deal with the subject matter in particular. In effect it is that the Prairie Farm Rehabilitation Act be amended so as to provide that no single project or scheme under this act involving an expenditure in excess of $15,000 shall be undertaken without the consent of the governor in council, thereby adding to the power of the minister to award contracts under this act, increasing the present limitation of $10,000 to $15,000, and also providing for the repeal of section 11, with which I do not intend to deal until the bill finds itself in committee.

Mr. Gardiner: It takes away some of the authority.

Mr. Diefenbaker: Yes, it takes away some, and I am not in any way dealing with this at the present time. I am going to deal specifically with the earlier portion, namely the increase in power that will result from this amendment. It will be noted that this bill has been on the order paper since early in January, and therefore the request for added power on the part of the minister—

Mr. Gardiner: Mr. Speaker, just as a matter of privilege, the minister has made no request for added power. The bill simply brings this measure into agreement with all other similar measures in all other departments of government. The minister had nothing to do with it.

Mr. Diefenbaker: The minister may deal with it later in replying. As far as I am concerned, reading this in its ordinary language, it means an increase in the power of the minister under P.F.R.A. Whether it is to equal the rights of other departments has nothing whatever to do with the argument that I intend to advance. I was pointing out, when the right hon. gentleman interrupted me, that this bill had been on the order paper since January, and therefore the request for an increase in power has no reference whatever to, nor has it any connection with, the work that is now required to be done by the officials of P.F.R.A. resulting from the flood conditions which now prevail in the province of Saskatchewan and to a lesser degree in Manitoba.

As far as the act in general is concerned, it has been in effect now since 1935 and represents one of the most effective acts ever placed on the statute books of our country with reference to the restoration of lands and the preservation of moisture. However, today we find ourselves in a position where getting moisture on to the lands is no more important, having regard to the cycle through which we are passing, than getting it off. This act in its present form, with few amendments, has been in effect since 1935. It represents a monument to the vision of the Right Hon. R. B. Bennett and the Hon. Robert Weir who conceived it and brought it into being. Through their concept tremendous improvements have taken place in our economic position in the western provinces.

Having said that, I wish to say immediately that latterly, particularly, there has been a tendency on the part of those in charge of the administration to place in the employment of P.F.R.A. some individuals whose qualifications are, even to an unsuspicious eye, peculiarly political. As far as the ordinary run of employees in P.F.R.A. are concerned, they have given good service and I do not refer to them in any way when I suggest that some of the appointments have a peculiarly political slant.

Mr. Deputy Speaker: Order. I have just been reading the bill, which refers to adding certain powers and detracting certain powers of the minister. It seems to me, as hon. members well know, that when we are on a bill amending an enactment it is the principle of the amending bill which we are required to discuss, not the principle of the enactment itself. I therefore would ask the hon. member for Prince Albert in his discussion to deal with the principle of this bill which is, as he can plainly see, rather limited in its scope.

Mr. Diefenbaker: Mr. Speaker, I know of no way in which I can deal with the principle except by showing that the principle in the past has been departed from and because of that departure we in the official opposition intend to oppose any increase in power to the minister. In support of my argument I intend to refer to what is taking place and the degree to which the powers have been used to date, and then to point out that, having regard to the present limitation of $10,000, the situation can conceivably be that much worse when the amount that may be expended without control on the part of the governor in council is increased to $15,000, and the melon becomes thereby so much larger. It was on that basis, sir, that I was dealing with the situation in

P.F.R.A. and in the control exercised by the minister over P.F.R.A. In support of the contention—

Mr. Deputy Speaker: Of course that is absolutely correct. If he deals with a project and the raising of the limit from $10,000 to $15,000, I would be the last one to interrupt him. However, as I understood him, the hon. member was proceeding to deal with employees; and I cannot see how he has related that matter to the principle of the bill before us.

Mr. Diefenbaker: Thank you, Mr. Speaker. After all, I must refer to the nature of some of the employees in order to indicate the power possessed by the minister, which is a power to make appointments outside of the civil service commission, and to have that power exercised by himself, and to point out the danger of the extension of that power in the manner asked for by the minister in the bill in question.

Mr. Gardiner: On the question of order that has been raised, Mr. Speaker, may I say that I am in agreement with what you have already stated. I would point out that there is no authority in this bill to make appointments. The authority simply has to do with the size of the contract that the minister can decide upon with the consent of council. It has nothing to do with appointments. If we were going to shut the hon. member out from discussing the question, I would be the last one to suggest that that position should be taken. I know the questions that the hon. member is going to discuss can be answered and dealt with, but the proper place to deal with it is on my estimates which are still to come before the house. I have no objection to the question being discussed, but are we going to discuss it twice? Every other hon. member of the House of Commons has the right to discuss it on my estimates, and no doubt others will discuss it if they feel inclined to do so. However, I do not think we should have two discussions, one here where it does not belong and one where it does belong.

Mr. Drew: On the point of order, Mr. Speaker, I submit that what has been suggested here is much in order and for reasons which have already been borne out by proceedings within this house within the past few years. The principle involved in this measure, in the provision under discussion, is the extension of wider discretionary powers to the minister without the ordinary protection that is afforded by submission to order in council. There may be those who would question even what protection that affords, but nevertheless it does afford some protection. This is a case where even that measure of examination and protection is removed.

If hon. members are to be in a position to say whether or not that type of discretion should be extended, surely it is appropriate to consider how the powers already conferred upon the minister have been exercised with regard to similar matters. We had another case of a not dissimilar nature when there was a proposal that the right to engage in and to enter into contracts under the Department of Public Works should be extended by raising the amount that would be permissible without tender. In the arguments that were used against the extension of that power, examples were cited of the way in which the discretionary powers already possessed had been exercised. As a result of the arguments which were made, the provision was withdrawn and in that particular case the arguments were sustained by the will of the members themselves. It was perfectly obvious that the government had become convinced that there was sufficient support on the other side of the house for the arguments to persuade them to withdraw that particular measure. I do not know of any way in which the members of this house could be persuaded that the discretion should not be extended unless an hon. member were permitted to place before the house examples of the way in which the discretionary powers already possessed had been exercised by the minister on other occasions.

Mr. Coldwell: Speaking to the point of order, Mr. Speaker, may I just say this. It strikes me that Your Honour is trying to limit debate in a manner in which it should not be limited. As a matter of fact, how can you have a project or scheme without having employees engaged either in inspecting the scheme or in approving of it before it is undertaken? It seems to me that you cannot deal with any project or scheme of this description without involving some of the employees of the department. Since there may be some disposition to question the ability of the individuals who may be inspecting, recommending and approving of the scheme, I think that the question as to those who are employed in this organization could properly come before the house in relation to this particular bill. I am rising to support the contention of the Leader of the Opposition (Mr. Drew) and of the hon. member for Prince Albert (Mr. Diefenbaker) in that regard.

Mr. Gardiner: I know I am out of order, Mr. Speaker, and if you desire to call me out of order in this connection that will be

all right. The hon. member rose before I had an opportunity of saying what this bill is for. We passed in this house the Financial Administration Act. It provides that in every department of government the minister can decide up to $15,000. I take it that anybody who is opposed to this provision says that what every other department may do, the Department of Agriculture cannot. That is all this bill does. It just brings us under that legislation which every other department is under.

Mr. Coldwell: Oh, no. I was not talking about that.

Mr. Drew: Speaking again to the point of order, Mr. Speaker, may I say this. It is perfectly obvious that the provision to which the minister refers has no application whatever. The fact is that if it had any application, there would be no occasion for this section to be here. If in fact the provision to which he has referred had any application, we would not be discussing this measure now. The fact is that it is something entirely different. It is an extension of discretion. When it is suggested that the officials who are engaged under the minister in that department are to be permitted this wider discretion, surely there should be opportunity to know who will exercise that discretion and the manner in which that discretion has been exercised under less restricted circumstances.

Mr. Gardiner: I rise because of the statement just made that this is an extension of discretion. It is not. The measure limits the discretion which is already available. There is far more discretion in the two sections that are being done away with than there ever was in this one. This bill does not extend discretion. It limits it.

Mr. Argue: What is the point of order?

Mr. Deputy Speaker: Order. I am sure hon. members would wish me to apply our rules, which are designed with care, I should say, to see not only that every opportunity is given for discussion of public questions but to ensure that there are appropriate opportunities for such discussions at certain times. The reason I raised the point in the first place was that it seemed to me that the principle of this bill dealt with increasing the discretion of the minister, on what is mentioned as a "project" or "scheme", from $10,000 to $15,000. I do not think hon. members would disagree with me when I say that is the principle of this amending bill. The further problem arises as to how far a discussion of employees can be allowed in discussing that principle. It seemed to me that the hon. member for Prince Albert, when I interrupted him, was launching on what might well turn into an extended discussion of the employees of P.F.R.A., a matter which, in my opinion, did not relate to the principle of the bill in question. It was for that reason that I interrupted him. I listened with care to hon. members who have risen on the point of order. If the discussion is merely by way of example to bolster an argument on the principle, of course I cannot say it is out of order. But I am going to ask members to adhere strictly to the principle of this bill. As hon. members undoubtedly know, there is a very good opportunity to discuss collateral questions when the minister's estimates are before the committee.

Mr. Diefenbaker: I bow with deference to your ruling, and will simply place before the house just a segment of the record to date to indicate the danger of extending the authority of the minister in the administration of this act. To support the argument that it is dangerous and that to extend his authority will be dangerous or could conceivably be detrimental to the public administration, I shall refer to one or two examples of what I have in mind as the type of administration that is taking place. In this way my opposition to the increase requested will be supported.

The minister says no increase is requested. This measure is simply to place this act in a position where the minister's powers will be similar to those under the Financial Administration Act.

Mr. Gardiner: I did not say that no increase was requested. I said there was an increase from $10,000 to $15,000 requested but two other sections are taken away that give more authority than that.

Mr. Diefenbaker: We all know that when the Minister of Agriculture allows any of his powers to be removed from him, especially in a bill introduced by himself, there is an Ethiopian somewhere in the deal.

Mr. Pickersgill: Be careful about racial discrimination.

Mr. Diefenbaker: I bow with the greatest deference to my hon. friend the minister who is the unchallengeable authority in this house on that subject.

Returning once more to my argument, it is this. What has experience been in very recent times as to the manner in which the minister has administered the authority parliament gave him? So far as the rank and file of the employees are concerned, they themselves resent what has recently taken place. No one can suggest but that a few months ago a body blow was struck at the administration of P.F.R.A. when the director of that

organization, L. B. Thomson, placed his resignation before the government. It was allowed to remain in abeyance until after the Liberal convention in Saskatoon. Then the gentleman in question was retained in the public service in charge of the administration of P.F.R.A.

However estimable his qualifications may be, those qualifications do not include the right on the part of any official to make a qualified resignation from a high and responsible position, then, not having succeeded in his quest, to be received back into the organization. The government did not even acknowledge his letter of resignation. He wrote a letter and said he wanted to resign, but nothing was done about his resignation. Finally he was back in the fold after the convention was over. As my hon. friend says, he remained in a state of suspended animation. First, he was in charge of P.F.R.A., and then again he was not. He resigned in a qualified resignation, and there was not even an acknowledgment by the minister.

Mr. Gardiner: It was not addressed to him.

Mr. Diefenbaker: Or by any minister of the government—

Mr. Gardiner: The resignation was not addressed to any minister.

Mr. Diefenbaker: Oh, it was just thrown up in the air, and that is why no minister replied to it. I asked what happened to the resignation and the various correspondence, and the answer was that there was no correspondence other than the resignation. Well, the gentleman resigned and then, not having attained the political mecca he had in mind, he was restored to his former position or at least he continued in his former position regardless of what had happened during the interval. This was a body blow at the integrity of the prairie farm rehabilitation administration.

This is not the only example. Some weeks ago I asked a question as to how many ex-M.P.'s and ex-M.L.A.'s represented the P.F.R.A. We have not got an answer to that question yet.

Mr. Deputy Speaker: When the hon. member rose after I dealt with the point of order, he indicated that he bowed to my ruling and indicated to us that he intended to use these matters as examples in his discussion of the principle of the bill. I have listened for the past few minutes, but it seems to me he is dealing with an entirely separate subject. I cannot see that he is pursuing his remarks as examples of the principle. It is, after all, a very simple, direct one, concerning the advisability or inadvisability of raising the authority of the minister from $10,000 to $15,000. I do not want to insist too much. It may be the hon. member intends to use his remarks as examples, but in order to avoid doubling up on debates I must say that from what the hon. member has said up to the moment, I feel some of those remarks could have been made more appropriately on the minister's estimates than on the second reading of this bill which has such a narrow principle. I must, therefore, ask the hon. member for co-operation in that regard.

Mr. Diefenbaker: Does Your Honour rule that I may not, as an example of some of the reasons that I am opposed to this bill, and this extension asked for in the bill, refer to some of the proclivities and political activities of those who will be charged with the responsibility of carrying out the increased power? That is all I am trying to do. Who are these men who will carry out the additional power? Will they do it in accordance with recognized principles or will they do it in a manner that ought not to be permitted to characterize any administration of the government? I base my whole argument on the fact that in order to test the efficacy of the course suggested for the minister in this bill, one should review something of the recent events in the administration of the P.F.R.A. which give to that administration the suspicion that political purposes are in the minds of many of those occupying administrative positions. I have heard it said that, so far as many of the high officials are concerned, P.F.R.A. could be defined as patronage for retired, rejected or resigned politicians.

Mr. Benidickson: Surely it is not like the Ontario hydro.

Mr. Diefenbaker: I am not going into that, because that is a provincial matter. And of course the interruption was meaningless in a discussion of this subject.

Mr. Drew: And as senseless as one might expect.

Mr. Diefenbaker: I would not disagree with that observation.

Here are some of the gentlemen: Mr. Austin Dewar, public relations officer of P.F.R.A. with a salary last year of $3,308 and with expenses of $3,119. Will anyone tell me that the fact that he is appointed to a position of that kind, that of public relations official, does not immediately arouse at least a degree of anxiety at a time when the government is asking for an extension of the money that may be spent without control by order in council?

An hon. Member: Suspicious mind.

Mr. Diefenbaker: And then we come to Mr. G. M. Ferrie, a most estimable gentleman. There are a number of names here. These things indicate that P.F.R.A.—

Mr. Gardiner: What is Mr. Ferrie?

Mr. Diefenbaker: —is becoming a political melon.

Mr. Gardiner: What is Mr. Ferrie?

Mr. Diefenbaker: Oh, Mr. Ferrie received a salary of $2,475 with expenses of $1,081. So far as Mr. Ferrie is concerned, I must say he was somewhat different from the rest of them who, according to their expense accounts, travelled awfully fast and awfully far between June and August 10, 1953.

Mr. Gardiner: What do they call him?

Mr. Diefenbaker: The manner in which trades take place between officials in P.F.R.A. and P.F.A.A., and the Liberal organization in Saskatchewan is worthy of note. One has only to look at the record of Mr. Glen Bruce and of Bill Bird, this merry-go-round of P.F.R.A. and P.F.A.A., and then back to the Liberal association as secretary. These things are wrong; these things are unjustifiable. P.F.R.A. is entitled not to have this kind of political administration on the part of certain of its officials.

The minister says: What has this to do with the question of whether or not his powers should be increased. Well, to raise the melon from $10,000 to $15,000—

Mr. Gardiner: No relationship at all.

Mr. Diefenbaker: The minister says there is no relationship.

Mr. Gardiner: There is no relationship between those two things.

Mr. Diefenbaker: He keeps coming back to the point that under the Financial Administration Act other ministers have that authority, but that it does not exist under P.F.R.A. The minister endeavours to get this added power to have these people on the march all over the province under the guise of saying, "Look at my retreat. Look what I have given up. Look at the powers under section 11."

Mr. Speaker, if the minister accepts this bill with diminished powers, no one will have objection to it. But my objection, and that of the opposition, is to the added powers, and as a result of the activities of L. B. Thomson and the manner in which he shuffled in and shuffled out and shuffled back again, which cannot be justified. It leaves a suggestion that all is not well and that additional powers such as are asked for cannot be justified. The minister indicated a minute ago that there was nothing particularly wrong with the administration. I mentioned Mr. Bird and Mr. Bruce.

Mr. Gardiner: Mr. Bird had nothing to do with P.F.R.A., and never has had.

Mr. Diefenbaker: I read from Mr. Peter McLintock in the Winnipeg *Free Press*. He was referring to the dispute over who was to be secretary of the provincial Liberal association, and said:

> In the past the secretary has also been the provincial organizer. Mr. Bill Bird, Mr. Gardiner's campaign manager—

Mr. Gardiner: Again I say that Mr. Bird has had no association whatever with P.F.R.A. at any time. He is in P.F.A.A., not P.F.R.A.

Mr. Diefenbaker: I am just mentioning the shuffle and the double shuffle.

Mr. Gardiner: How do you relate it to this?

Mr. Diefenbaker: If the minister will just let me conclude this article:

> In the past the secretary has also been the provincial organizer. Mr. Bill Bird, Mr. Gardiner's campaign manager, held this post for a number of years after the second world war. Not long ago Mr. Bird was named director of the Prairie Farm Assistance Administration — another government branch for which Mr. Gardiner is responsible.
>
> To replace Mr. Bird as Liberal secretary, the association appointed Mr. Glen Bruce.

Then it goes on to mention that Mr. Bruce had been connected with P.F.A.A.

In other words, Thomson, Bruce and Bird; P.F.A.A. and P.F.R.A.; shuffle, double shuffle, triple shuffle. Those are the things that leave one with a degree of bewilderment as to the measures these people have to carry out and the use of the authority by Dr. Thomson, now that once again he is restored to the position of head of this organization.

For these reasons—and I think they are singularly powerful reasons—no additional melon should be given to the minister which would permit him to carve a $15,000 cut without having over him the need of going before the governor in council for authority.

The powers the minister needs have been shown by the experience of the past. This organization has got along very well under the old restrictions. Nothing has been advanced, that I know of, that indicates any need for an increase in the amount the minister may spend without the authority of the governor in council. Therefore, Mr. Speaker, under the circumstances I have no other alternative than to vote against this measure; because parliament has the right to protest when positions in a body such as P.F.R.A.—and they are highly paid positions, many of them—

Mr. Gardiner: None of them at $15,000.

Mr. Drew: They soon will be, if this goes on.

Mr. Diefenbaker: They are highly paid positions. I say I have no other alternative than to vote against the measure when positions are filled outside the civil service commission and where apparently the appointments are the personal perquisites of the Minister of Agriculture. This being so, with the appointees responsible directly to him for their positions—and I am referring to the executive officers rather than those holding minor posts—parliament has the right to stop any additional powers being placed in the hands of the minister until he gives it the assurance that the double and triple shuffles of recent days in high executive positions are a thing of the past.

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to say a word on this because, to a large extent, I am in agreement with the hon. member for Prince Albert (Mr. Diefenbaker) in his criticism of this particular bill. I may say immediately I do not share the view that because a man has been a member of this house he is unfitted to take a position after he leaves this House of Commons, provided that—

Mr. Diefenbaker: That was not inherent in what I said.

Mr. Coldwell: No. Provided that he is suitable for the position and provided that he has a reputation which recommends him to this house and to the country.

When I look over some of the appointments that have been made under the Prairie Farm Rehabilitation Act I just wonder what the people of Canada think when a member of parliament leaves this chamber under a cloud which has never been removed or cleared up, and then he is appointed to a position under the Prairie Farm Rehabilitation Act. It is because of matters of that kind that I am going to oppose the granting of this additional power to the Minister of Agriculture. After all, when the minister says this is bringing the Prairie Farm Rehabilitation Act administration in line with other parts of government administration, let me say this. In 1952 the act made the concession, if I may put it that way, that projects under $10,000 might be undertaken without the approval of the governor in council. If that was done in 1952, I can see no reason why in 1955 we should increase it by 50 per cent. When we look at the statistical reports of recent days this is what we find. For example, I hold in my hand the *Canadian Statistical Review* of April, 1955. I find that neither retail nor wholesale prices have increased by 50 per cent. In fact, in relation to wholesale prices, we find that they are down a little and retail prices are up only slightly. For the life of me I cannot see any reason why we should grant this additional power to the minister.

There is a general feeling among many people in western Canada and in the prairie provinces that there are too many political appointments under the Prairie Farm Rehabilitation Act, although it does have many good people in it. It is becoming more and more a political machine directed by the Minister of Agriculture.

When I look at the long list of over 1,400 employees in this report, which was asked for by the hon. member for Assiniboia (Mr. Argue), and some 500 under the Prairie Farm Assistance Act, I find, as has already been stated, certain appointments made that do not command the respect of this parliament or, I believe, of the country generally.

In asking for this power the minister is asking something from the house that the house should not grant in the circumstances under which this act has been administered. I want to say immediately that since the act was placed on the statute books of this country in 1934 much good has come of it. As a matter of fact, I believe we have had no act as beneficial to the prairie provinces as the Prairie Farm Rehabilitation Act; and indeed, as far as it goes, the Prairie Farm Assistance Act placed on the statute books subsequently has also been of substantial benefit to our western agricultural population.

I am joining in the protest against granting this additional power to the minister, not because I wish to deny to him and to the administration the same rights as we have granted to some of the other administrative bodies under the government. I am doing it, as the hon. member for Prince Albert did it, because I feel that somehow or other we have to make as effective a protest as we can against the manner in which a few of the employees of this organization have been appointed, and against the manner in which they are carrying out their activities in the prairie provinces. That is the reason for the opposition which I am voicing to the increase of power given to the minister at this time.

I want the house to understand, Mr. Speaker, that it is not because we wish in any way to hamper the Prairie Farm Rehabilitation Act. Indeed, I should like to see it extended and more work undertaken under it. We are asking today that the Prairie Farm Rehabilitation Act shall have some additional money and power to assist in the grave situation which has resulted

from flooding in the prairie provinces of Manitoba and Saskatchewan. Therefore, let it not be said that in opposing this particular bill we are in any way endeavouring to hamper the Prairie Farm Rehabilitation Act. What we are doing is endeavouring to make the only effective protest we can make in this house. The only effective protest we can ever make is to refuse to grant money to the government or to a government department. Because of the political activities of some of the persons employed under the Prairie Farm Rehabilitation Act, because of some of the appointments which I think not only were unwarranted but were a reflection on this parliament of Canada, I intend to vote against this particular bill.

Mr. Victor Quelch (Acadia): We have heard many comments regarding the operation of the Prairie Farm Rehabilitation Act in Saskatchewan; but in that province politics and agriculture seem to have the habit of getting badly mixed up.

Mr. Coldwell: They certainly do.

Mr. Quelch: However, in Alberta we have not found that what has happened in Saskatchewan has in any way affected the efficient operation of the act in our province. As a matter of fact, in the constituency that I represent magnificent work is being done under the Prairie Farm Rehabilitation Act. It is largely owing to the fact that out there we have an excellent man as director. It so happens that he was a former Liberal federal candidate. He was defeated some 10 years ago, but he had been active in rehabilitation and irrigation work long before that. He had been recognized as an authority, and since his defeat he has been acting as director of Prairie Farm Rehabilitation Act work in that district, and he has done excellent work. All the expenditures that have been made in that area have been wisely made. We feel that the people have received full value for the money expended. Therefore, I am not prepared to oppose this bill. The increase from $10,000 to $15,000 does seem reasonable and in line with the general increase in costs throughout the country.

Marvellous work has been done in that area in making it possible to carry large numbers of cattle on pasture lands that were without water until the Prairie Farm Rehabilitation Act provided dugouts and also provided assistance in establishing small irrigation projects by damming up dry creeks and by providing water for the various towns by establishing reservoirs. I should not like to see anything done that will in any way hamper the work of that organization. I realize that the situation in Saskatchewan may be different. I do not believe that what has happened in Saskatchewan has in any way interfered with the efficient operation of the act in Alberta.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I should like to support the point of view expressed by my leader (Mr. Coldwell) and the hon. member for Prince Albert (Mr. Diefenbaker). Hon. members in all sections of the house, I know, appreciate the outstanding work accomplished under the Prairie Farm Rehabilitation Act since it was passed 20 years ago, but I submit that the minister is showing very poor judgment when he places in responsible positions people who have been so active politically and who appear to be still active politically after having been taken on under P.F.R.A.

Mention has been made of the trips made by Mr. Ferrie, former member for Mackenzie. According to the return which has been brought down, the amounts paid to Mr. Ferrie have been quite modest, but he has not been employed by the department very long. It is not easy to justify to the taxpayers the expenditure of funds to enable Mr. Ferrie to continue his political activity in an area where he is so well known. If the minister had wanted to employ Mr. Ferrie in Alberta or Manitoba there might have been some justification, but not to employ him in a place where he is so well known.

For example, I find that late in December he made a trip to Norquay on December 6 in connection with the Swan river project. Then he went to Newburn to inspect the dam. Then he went to Fosston to inspect a dugout and drainage. I do not know how you would inspect a dugout and drainage on December 18. Then there was a trip to Watson and one to Buchanan. Then on December 21 there was another dugout inspection and on December 22 he was out to inspect a flowing dugout. I do not know what sort of a dugout that is and I do not know how one could inspect it on December 22. Up in our country everything is frozen up early in November. Then there was another trip on December 30 to inspect a ditch.

The total mileage was only 1,417, which at nine cents a mile amounts to $127.53. I admit that that is not a large amount when compared with amounts spent in other government departments, but it is very difficult to justify to the taxpayers in that area that it is necessary to have Mr. Ferrie riding around the country allegedly inspecting flowing dugouts and drainage and dam projects in the

middle of December when the ground is covered with snow and the lakes and rivers are covered with two or three feet of ice.

I have no personal axe to grind as far as Mr. Ferrie is concerned, but I do not think the minister should be given wider powers to spend money without referring the matter to his colleagues. As a protest against the use of public funds to send so many political workers throughout Saskatchewan, I propose to vote against this measure.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I too wish to oppose this bill for the reasons already outlined, namely, that it gives the minister the power to spend larger amounts of money without having to obtain the approval of the governor in council. In view of the information which has been placed on the record this afternoon by the hon. member for Rosetown-Biggar (Mr. Coldwell), the hon. member for Prince Albert (Mr. Diefenbaker) and the hon. member for Mackenzie (Mr. Nicholson), I think hon. members would be justified in voting against an approval to spend money without the approval of the governor in council.

I wish to direct my remarks particularly to clause 2 of the bill which repeals sections 10 and 11 of the act. Section 10 of the act reads:

> The minister may, for the purposes of this act, and with the approval of the governor in council, purchase, lease or otherwise acquire, or sell, lease or otherwise dispose of, any lands or premises that may be required for or included in any project or scheme, upon such terms or conditions as he may deem desirable.

With that section removed from the act there will no longer be vested in the minister power, in this instance with the approval of the governor in council, to purchase, lease or otherwise acquire, or sell, lease or otherwise dispose of, any lands or premises that may be required for or included in any project. The whole life of the Prairie Farm Rehabilitation Act in the past depended upon the ability of the minister to acquire, with the approval of the governor in council in this instance, or lease lands for the purposes of the act. At the present time there is under lease in connection with prairie farm rehabilitation over 1,600,000 acres of pasture land. With this section deleted from the act I am wondering what will be left for prairie farm rehabilitation to undertake. Does it mean that there will be an end to further acquisition of land for pasture purposes? Does it mean that if the governor in council should decide to undertake the South Saskatchewan dam they will not have power under this act to lease property and therefore no power to acquire control of the site on which the dam would be erected?

[Mr. Nicholson.]

I am not a lawyer and therefore I am not professing to give an answer to the question I am raising. If power exists for this specific purpose under some other act, then why should this provision have been in the act since 1939? Unless the minister can point out to me a provision in the Financial Administration Act, which would be a substitute for section 10, I cannot see how he is going to be able to carry on the very important functions of prairie farm rehabilitation which depend upon the leasing of land.

Section 11 of the act, which is also to be deleted, reads:

> (1) The minister may, for the purposes of this act, purchase or rent whatever machinery or equipment may be required in connection with the development, construction or operation of any project or scheme, but the purchase of any single unit of machinery or equipment of a value greater than five thousand dollars requires the approval of the governor in council.
>
> (2) Notwithstanding the provisions of any other act or law, the minister may sell any single unit of such machinery or equipment upon such terms as he may deem advisable and the proceeds thereof shall be paid to the receiver general, but the sale of any such unit, if its initial cost exceeded five hundred dollars, requires the approval of the governor in council.

I direct the attention of the house more particularly to subsection 1 of section 11 of the act which gives the minister the power to acquire machinery worth more than five thousand with the approval of the governor in council. If we are to delete section 10 and section 11, my question is this: Where does the power remain for the government to undertake the very functions of prairie farm rehabilitation which we all think are so important? In other words, if these sections are removed, does that spell the end of pasture leases in the future? Does that spell the end of the acquiring of machinery by the department? Does that mean that for all practical purposes prairie farm rehabilitation has been brought to an end and that the public of Canada in the future will not be able to expect the government to lease land or to purchase equipment? As I say, I hope my fears are groundless. I would certainly like an answer to the question I have proposed, because unless there are very definitely in the Financial Administration Act or some other act all of the necessary powers to replace sections 10 and 11, then this act, which has been a very good act, will for all practical purposes have been destroyed.

Mr. Deputy Speaker: Is the house ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: If the right hon. minister speaks now he will close the debate.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, and members of the house, I have listened with some interest to the discussion which has taken place and in the light of what was said I can quite understand the attitude of some members. For example, the statement was made, in the midst of a presentation which I think had no place whatsoever in the discussion, that a past member of this house who it was suggested left the house under a cloud had been made a public relations officer—

Mr. Diefenbaker: That is the description of the Regina *Leader-Post.*

Mr. Gardiner: You do not go to the Regina *Leader-Post* for descriptions of things that you do. Why go there for descriptions of things I have done? As a matter of fact, Mr. Dewar is in the same position as seven or eight others. He is not a man who is directing the personnel of P.F.R.A. He is a field supervisor holding exactly the same position as the ex-candidate in Alberta who was spoken of so highly a few moments ago. He has exactly the same kind of position in a limited territory. He has nothing to do with personnel in connection with the employees of the P.F.R.A. branch. That was why I asked the hon. member when he was speaking the title of the position which was held by another ex-member of this house. Their titles are exactly the same. Mr. Dewar and Mr. Ferrie hold positions as field supervisors covering a certain part of the province, just as does the gentleman who was spoken of by the hon. member for Acadia (Mr. Quelch).

Having said that, I come back to what the bill is really about, because it has no relationship whatsoever to this kind of discussion. This bill did not have in it these provisions when it was drawn up in 1936, or when it was amended. It did not have the provisions relating to the purchase of machinery, the purchase of lands and the purchase of this, that and the other thing, all of which have been referred to in the discussion. Yet we have been doing all the things we are doing now. As a matter of fact the legislation was amended as we went along to give certain authorities under certain conditions. One of those authorities was the one read a few moments ago by the hon. member for Assiniboia (Mr. Argue), section 10, which reads as follows:

> The minister may, for the purposes of this act, and with the approval of the governor in council, purchase, lease, or otherwise acquire, or sell, lease or otherwise dispose of, any lands or premises that may be required for or included in any project or scheme, upon such terms or conditions as he may deem desirable.

It goes on to explain:

> The repeal of this section will mean that all P.F.R.A. land transactions will be dealt with in the same manner as are the land transactions involving government departments under existing legislation.

In other words, in answer to the hon. member for Assiniboia, the legal authorities who drafted the act say that there is provision in other legislation. I am not going to take the time of the house in going into all the terms of the different kinds of legislation we have to deal with, but the same authority which others have to purchase land for government purposes will be exercised by P.F.R.A., just as it is exercised by other authorities under the government and as it has always been. This was a special power given to the minister under special circumstances to deal with certain things. It has been thought that those special authorities are no longer required, and that is being removed.

Section 11 reads as follows—

An hon. Member: Six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Speaker: Is the house ready for the question?

Mr. Gardiner: Mr. Speaker, I have one or two things I wanted to say first. Before six o'clock some suggestions were made that I think ought to be answered before there is a division on the question. It was suggested that the taking out of this section in the bill might create a situation which would be rather difficult. I must say that that would not be the case. I have in my hand the original bill, or at least the bill as it was passed back in 1937 and 1939. The suggestion made was that if we did away with sections 10 and 11, we would not now have any authority to do some of the things which we are doing. Section 11 provides for the purchase and sale of certain machinery and equipment. The act which now makes it possible for surplus property owned by the government to be sold makes it compulsory that any department which has property of that kind, such as machinery, must sell it under that act. Hence taking this section out at this time does not make any difference to the position as it has been ever since that act was passed following the end of the war.

Mr. Diefenbaker: Will the minister allow a question there? It is an extremely interesting

point. If you will look at the Financial Administration Act, you will find that it covers the Department of Agriculture but it does not refer specifically to P.F.R.A. I wonder whether the minister had noticed that fact.

Mr. Gardiner: As a matter of fact, I am looking for the bill itself which that is in, but I do not appear to have it. No, I have not looked at that at all.

Mr. Diefenbaker: I was wondering whether it was included.

Mr. Gardiner: I understand that this bill is to be changed with regard to the particular section which is under discussion. With regard to the point raised by the hon. member for Assiniboia, he was wondering whether the removal of section 10 would result in our not being able to do those things which we have been doing. If you, Mr. Speaker, will note the date on which that change was made, you will find it is 1939. In other words, we had been functioning under this bill for four years before that was put in. The real reason for the putting of it in at that time was the fact that we were setting up a great many pastures and doing other things not related to larger projects, because larger projects do not come under this act at all. They are under a special vote of the house. Hence in so far as the South Saskatchewan river dam would be concerned, it does not come under this particular act; it comes under a vote of some $7 million or $8 million which is in the estimates from year to year to take care of large projects.

But our difficulty in the early stages was this. When we were setting up, as we did, some 60 pastures to 70 pastures, we were getting small areas of land and when every one of those had to be taken to the treasury board to be passed and when treasury board did not meet sometimes for two or three weeks—and, as hon. members know from experience it is sometimes longer than that—it delayed the securing of these lands to a time when, with the short summers we have in the west, we could not get on with this work as rapidly as we had hoped to get on with it. We therefore brought in this section in order to take care of that difficulty.

As to the other matters which were referred to by the hon. member for Assiniboia, the position is provided for in section 4 and section 9. Section 4 of the act states:

> The advisory committee shall consider and advise the minister as to the best methods to be adopted to secure the rehabilitation of the drought and soil drifting areas in the provinces of Manitoba, Saskatchewan and Alberta, and to develop and promote within these areas systems of farm practice, tree culture, water supply, land utilization and land settlement that will afford greater economic security, and to make such representations thereon to the minister as the advisory committee may deem expedient.

I think that is as broad as anyone would desire it to be. In relation to what was stated with regard to the same matter by the hon. member for Prince Albert (Mr. Diefenbaker) when he opened up just before the dinner hour, may I say this. He made the suggestion that this bill was the result of the great foresight of some of those who went before this particular government. I am not adverse to giving credit where credit is due in connection with these matters. It is true that an act was placed upon the statute books of Canada in 1935 by the Bennett government, but that bill provided for the expenditure of $4¾ million and no more. When we begin to discuss at the present time the building of, say, the South Saskatchewan river dam that is going to cost $60 million, it is obvious there never was a possibility under the act as it was passed at that time of building such projects. In addition to that, there was no provision in the original bill for the setting up of pastures. There was no provision for the greater part of what is looked upon today as those projects which make the act really worth while. It was simply an act to indicate to the province the means by which the province could proceed to take care of this problem.

Mr. Drew: Mr. Speaker, I wonder whether I might ask a question just for the purpose of clarification? Is the minister suggesting that the government contemplates the construction of this dam under P.F.R.A.?

Mr. Gardiner: I just said that we are not.

Mr. Drew: I suggest it.

Mr. Gardiner: I was pointing out that my hon. friend asked questions with regard to the South Saskatchewan dam this afternoon. The hon. member for Assiniboia asked questions with regard to the South Saskatchewan river dam as though it came under this act. But it does not come under this act. But neither did the setting up of the pastures come under the original act which was brought into this house in 1935. It was only after this government was set up that the act was broadened out with no restrictions upon the amount of money that was going to be spent beyond what we could persuade the house to vote from year to year, and no restrictions upon the time during which that money was to be spent. The original act restricted it to five years, three-quarters of a million dollars the first year and $1 million each year for four years thereafter. Then it was to come to an end; and the provinces

were to take the matter up from there and go on and spend money in the way they had been taught by the government of Canada that it should be spent in order to rehabilitate that area. When we came in we decided that was not a big enough way, that there was not sufficient vision in the minds of those who set up that legislation to take care of the problem. The question I was asked across the floor of the house by the then leader of the opposition, Right Hon. R. B. Bennett, was the question as to how long we thought it would take to deal with this question. I said it would take at least 20 years and that it would require all the money that we could get from parliament during that 20 years time. The 20 years are now up. I can understand the question coming from the hon. member for Assiniboia as to whether that is the intention in what is being done now. There was no such intention when this amendment was made to this act. It had nothing of that kind in mind whatsoever. In order to indicate that the power is still in the act I would read section 9 as it is in the act:

9. (1) The minister may, (a) subject to section 4,—

That is after having submitted the matter to a committee which is set up under the act and getting their views as to how it should be proceeded with.

—undertake the development, construction, promotion, operation and maintenance of any project or scheme under or by virtue of this act, or enter into agreements with any province, municipality or person with respect thereto;

And then (b):

(b) pay all necessary administrative expenses incurred under the act and all necessary travelling and living expenses incurred by officials or employees in performance of their duty.

If we had been amending that part of the section perhaps my hon. friend would have been quite right to have said something about the officials that were being appointed. But we are not amending that section. Then as to power:

(2) no single project or scheme under this section involving an expenditure in excess of ten thousand dollars in any fiscal year shall be undertaken without the consent of the governor in council.

Now, the reason the words "governor in council" were put in at that time was the reason I gave a few moments ago. There are times when you can get to council more readily than you can wait for the matter to pass through the treasury board. So, at that time we did say that this could be done by simply taking it to council. All we are saying in this bill is that the amount of $10,000 is to be increased to $15,000 to conform to the Financial Administration Act which was passed in 1952, I believe, and which made it $15,000 instead of $10,000. Then, we are suggesting again that it go, as every other vote of the kind does, to the treasury board before it goes to council; that is the amendment which is made.

This amendment does not increase the powers of the minister or the powers of the minister plus council, because it was simply a matter of taking it to council in the days when it was decided we wanted to have this thing done rather than have to take the regular course through the treasury board. Now, this amendment sends it back through treasury board as is the procedure in connection with all other departmental affairs and it takes the same course as similar votes do. I submit again this is not giving extra powers to the Minister of Agriculture.

I should like to call to the attention of members the fact that all the arguments that were used this afternoon with regard to the danger of putting this authority under the Minister of Agriculture were used in 1936-37 when the act was being amended to make it read as it now reads. Everyone who spoke from the opposition side of the house objected to the Minister of Agriculture having these powers and said they would be misused or used for political purposes. All these arguments were used here this afternoon. The hon. member for Prince Albert (Mr. Diefenbaker) said he had no criticism to make of what had been done in the past; that this act had been one of the best measures for Saskatchewan that had ever been put through this house. The hon. member for Assiniboia (Mr. Argue) said the same thing.

I must admit that the hon. member for Assiniboia did me the honour of not using some of the arguments used by some other hon. members. Perhaps he had them in his mind. What I want to impress upon this house is that all these things were said in 1936-37. They were all said again when this section, to which objection is now being taken, was put in; the same accusations were made. It was said authority was being given to the Minister of Agriculture which he should not have because he would misuse it. Members come along now and say those powers have not been misused; none of the authority the minister had before has been misused, either the general amount that was left to the minister to take care of or the $10,000 that was put into this act. When it was $5,000 elsewhere, it was $10,000 here, but that was left behind when it was made $15,000 for the other departments and for the other branches of the agriculture department. Now, it is being said that in so far as the

P.F.R.A. branch is concerned we are putting too much authority into the hands of the Minister of Agriculture and hon. members are afraid of what he is going to do in the future. I am prepared to say that, so long as I am Minister of Agriculture, I will be doing the same kind of things in the future as I have been doing in the past. The same kind of things as I have been doing in the past seem to have been very good except for a few appointments.

The act has developed and it has been doing things that have been more helpful to western Canada than anything that has been done under any other act. It may be pointed out that the position to which a past member of this house was appointed is not nearly as important as the title given to it by the hon. member for Prince Albert would suggest. This man is simply a field inspector. This fancy title, public relations officer, was taken out of a newspaper somewhere and submitted to the house this afternoon, and it makes it appear as though there were some special appointment to some special person. It is the same kind of appointment as I mentioned this afternoon which seven or eight other men in different parts of Saskatchewan have; two or three in Manitoba and two or three in Alberta have the same appointment. They are field inspectors. As the hon. member for Acadia (Mr. Quelch) said, in so far as the man in his area was concerned, in spite of the fact he had been the hon. member's political opponent, he was doing a good job and the hon. member had no objection to him.

The speech of the hon. member for Prince Albert makes me feel that probably I should regret the fact I have been in this house for 20 years and regret the fact that I was in the Saskatchewan legislature for 21 years before I came here. It seems to me, listening to that harangue, to be a disgrace for anyone to have ever been in this house or the Saskatchewan legislature and then get a job from anybody, particularly the government. If that is the attitude we are going to take towards men who have served their country as members of a legislature or members of the House of Commons, then I rather resent it. I can understand when my friend asks questions about Dr. Thomson, who had submitted a resignation which was not accepted. He carried on, and I can understand a question about that. At the same time I would say to you, Mr. Speaker, that that question has been discussed two or three times in this house already and I am quite sure it is going to be discussed when my estimates are before the committee. Since it is going to be discussed on another occasion, I am not going to break the rules by discussing it tonight. The question is one which can be dealt with at the proper time and in the proper manner.

I should like to emphasize the fact that this act has been on the statute books now since 1936-37. It has been utilized for all the different purposes for which it was set up. No one either on this side of the house or on the other side of the house or in the Saskatchewan legislature has ever suggested that one dollar of money has been misspent in the operation of this act or that there is likely to be a dollar misspent with the present set-up of personnel. Such a suggestion has never been made in any campaign that has been fought in the intervening years. I should like to say that, while it is not my suggestion that this bill be brought before the house, I have no objection to it. It would not have been my suggestion that we take away the discretion I now have to buy a piece of land in a hurry which we are going to flood with water, when we did not want to wait for a month or two to do the flooding in order to be sure we owned the land and not have to pay damages. It has been thought wise to have this kind of legislation with regard to other departments, and I have no objection to its being applied to this department and particularly P.F.R.A.

We have got along to the point where we can deal with these situations much more effectively than we were able to deal with them 15 or 16 years ago. We have had sufficient experience to make it possible for us to deal with them without this legislation. There is nothing in it which prevents us from going on with the general activities of P.F.R.A., and that is the question which concerned the hon. member for Assiniboia. We can go on just as we have. If we had any intention of cutting out the work which was being done we would not only have dealt with this one section and taken away two other sections which are not necessary to the carrying out of the act, but we would have taken away the effective sections which I just read. I would suggest we have the second reading of the bill, and go on to pass it.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Drew: No.

The house divided on the motion (Mr. Gardiner) which was agreed to on the following division:

YEAS

Messrs:

Applewhaite	Batten
Ashbourne	Benidickson
Balcom	Blackmore

Boisvert	Low
Bourget	Lusby
Bourque	MacDougall
Brown (Brantford)	MacEachen
Brown (Essex West)	McCann
Bruneau	McCulloch (Pictou)
Buchanan	McIlraith
Campney	McLeod
Carrick	McWilliam
Cavers	Maltais
Croll	Mang
Dechene	Michaud
Deschatelets	Murphy (Westmorland)
Dumas	Patterson
Dupuis	Pearson
Enfield	Pickersgill
Eyre	Pinard
Fairey	Pommer
Forgie	Power (Quebec South)
Fraser (St. John's East)	Power (St. John's West)
Gardiner	Purdy
Garland	Quelch
Gauthier (Portneuf)	Ratelle
Goode	Richard (Ottawa East)
Gour (Russell)	Richardson
Gregg	Robertson
Habel	Robichaud
Hahn	Robinson (Simcoe East)
Hanna	St. Laurent
Hardie	Shipley, Mrs.
Harris	Simmons
Harrison	Sinclair
Healy	Stick
Henry	Stuart (Charlotte)
Houck	Studer
Huffman	Thomas
Jutras	Tucker
Kickham	Valois
Kirk (Antigonish-Guysborough)	Villeneuve
LaCroix	Weaver
Lafontaine	Weselak
Langlois (Gaspe)	Winters
Leduc (Verdun)	Wylie
Lesage	Yuill—94.

NAYS

Messrs:

Aitken, Miss	Hees
Argue	Herridge
Balcer	Johnson (Kindersley)
Barnett	Jones
Bell	Knight
Bryce	Macdonnell
Bryson	MacLean
Cameron (Nanaimo)	Monteith
Campbell	Nesbitt
Castleden	Nicholson
Charlton	Nickle
Churchill	Nowlan
Diefenbaker	Poulin
Dinsdale	Regier
Drew	Robinson (Bruce)
Fairclough, Mrs.	Stewart (Winnipeg North)
Fleming	Thatcher
Fraser (Peterborough)	Trainor
Fulton	Tustin
Gagnon	Winch—44.
Gillis	
Girard	
Green	
Hamilton (Notre Dame de Grace)	

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1—*Limitation.*

Mr. Diefenbaker: Perhaps the minister can tell the committee how many projects were undertaken during last year in which the amount spent was over $10,000.

Mr. Gardiner: I am not in a position to be able to tell the hon. member exactly the number put through in the last year which cost that amount. I hold in my hand the report for the year 1953-54 which of course is available to all hon. members. It has the total amount in it. I could look through it and give the information if it is necessary.

Mr. Charlton: I understood the minister to say he did not have the information to answer the question.

Mr. Gardiner: I have it in the report, but I understand the rules of the house prevent the asking of questions of that kind when the answers are in print, and it is not usual to read them off here.

Mr. Charlton: I do not believe they are in the report. I have looked through the blue book of government expenditures and I do not know whether they are segregated or not. It is very difficult to get the information one wants. As I understand it, the amount of expenditures in the estimates this year is nearly $4 million. The minister said that when the bill was brought forward by the Bennett government in 1935 they allotted $4 million as a maximum. I point out to the minister that in those days $4 million was probably worth more than $8 million is today, so that probably they were more farsighted then than the minister gives them credit for when they were willing to spend $4 million a year and we are spending only $4 million a year at this time.

Mr. Dinsdale: I should like to ask the minister a question on this clause. In recent weeks demands have been made upon the services of the Prairie Farm Rehabilitation Act in connection with flooding on the prairies. I am wondering whether, under this clause, which authorizes the minister to contract for sums upwards of $15,000, the services demanded by the flooding conditions can be met? Specifically, has the P.F.R.A. been assuming responsibility for the diking or has the expenditure reverted to the provincial and municipal governments?

Mr. Gardiner: In so far as the engineering work is concerned, up until last year or the year before, it had been done at no cost to either the municipalities or the provinces in connection with any activities that were properly associated with P.F.R.A. But we

insisted that in order to place the responsibility on whatever authority was undertaking the work being done, they should make application for the engineering work and, where application was made, it was definitely understood that we assumed no responsibility for doing the work. Under that arrangement we did make provision for engineering being done. But about a year and a half ago, or sometime during the year preceding last year, we had some difficulties owing to the fact they had greatly extended the irrigation activities in Alberta. When the St. Mary dam was constructed and water was made available from it, the province was then in a position to spend money in building up the area, putting in the ditches and canals for the spreading of that water over the area south and west of Medicine Hat. It was then decided that some of these engineering works would have to be paid for by the province concerned. Just how that decision will apply in connection with other works that are being spoken of now I am not in a position to say at the moment. They will be decided on their merits as we go along.

Mr. Dinsdale: I take it from that that in the case of emergency conditions resulting from flooding the services of P.F.R.A. engineers will be available and the matter of payment will be settled at a later date. Is that correct?

Mr. Gardiner: That is approximately correct. Of course there are certain works that we have had our P.F.R.A. engineers go over throughout the years. As a matter of fact there are not very many of the projects that are being talked about in connection with the recent flooding that we have not very definite information on and have had for a long time.

Mr. Trainor: I wonder if the minister would take advantage of this occasion to answer a question which I put to him a few days ago. In a report several years ago the P.F.R.A. authorities made a definite recommendation as to flood control on the Assiniboine river in Manitoba. Can the minister state whether or not the government intends to implement that report? As the minister no doubt knows, flood conditions this year have been particularly bad on the Assiniboine river. While they have occurred almost perennially for a number of years past they were particularly bad this year. Would the minister be good enough to reply as to the implementation of this report, because Manitoba would be glad to have his answer.

[Mr. Gardiner.]

Mr. Gardiner: Mr. Chairman, at this point I should like to question whether or not I am supposed to discuss all expenditures made under P.F.R.A. on this amendment. They would be properly discussed when my estimates are before the committee and those estimates will be coming up as soon as this bill is passed and we are allowed to go into committee of supply.

Mr. Diefenbaker: Have there been any diking or drainage projects under P.F.R.A. undertaken in 1953 or 1954, and have such projects in the past come within the ambit of this limitation of $10,000, now being increased to $15,000? Have there been any contracts in respect to which the increase is now asked?

Mr. Gardiner: No, there has been no case of drainage under P.F.R.A. as far as I can recall. We are not responsible for drainage which is carried on by the provinces. There has been no drainage work that I can recall at the moment. There might have been occasional places where a certain amount of drainage had to be done in establishing dams to hold supplies of water, but there has been no drainage done as such.

The nearest approach to drainage which has been done, and which I think most people have in mind when they bring drainage up, is that in the Dauphin area. That was not done under this act; it was done under the special vote put through for this purpose and largely because the claim was made that the water came out of a national park, being supplied with water from snow piled up there in the wintertime. That water was alleged to have flooded farms in the spring and the work was done under a special vote.

Mr. Diefenbaker: It is clear that at no time has there been any project for drainage or diking under the P.F.R.A.?

Mr. Gardiner: I probably should not go so far as to say that there has been no diking done because when you are putting in an irrigation work some diking may be required, such as at Eastend where there was an overflow of water.

Mr. Charlton: In connection with the minister not wanting to answer the question asked by the hon. member for Winnipeg South, may I say that I think we would be perfectly within our rights to ask for an explanation of any contract not costing over $10,000. This particular clause reads:

> No single project or scheme under this section involving an expenditure in excess of fifteen thousand dollars in any fiscal year shall be undertaken without the consent of the treasury board.

I submit that we should have a list of all those contracts. If the minister cannot give them to us now—

Mr. Gardiner: I can send this one over to my hon. friend and then I can have another one sent in in a few minutes to every member of the committee.

Mr. Charlton: I am afraid that that would be rather delaying things if we were to do that at the moment. However, I think the minister should prepare a list of all contracts of less than $10,000. The minister is now asking that he be given the privilege of making contracts up to $15,000 instead of $10,000. How many contracts would there be? How important is it that the minister should have this right to spend another $5,000 on every contract. For instance, say a contract was for $60,000: the minister could split it up into four contracts of $15,000 rather than one for $60,000.

Mr. Gardiner: How far back does the hon. member want me to go?

Mr. Charlton: Probably five years. We should have all contracts under $10,000 which the minister has had the privilege of giving out under the P.F.R.A. I want to make the statement that I am not criticizing the actual workings of the P.F.R.A. but I am criticizing the minister's right to give contracts up to $15,000. That is why we voted against the second reading. I do not think it is necessary or desirable. It will only be placing the minister in an embarrassing position inasmuch as he may be criticized for giving out these contracts on his own.

This afternoon the minister said he was losing a lot of privileges by the deletion of sections 10 and 11 of the act, but I do not think he is losing anything in comparison with what is being given to him by way of an increase in this contract limit. All he has to do is get the Department of Transport to purchase the land. As far as section No. 11 is concerned, with contracts up to $15,000 I do not think he will need to worry about renting machinery because he can get plenty of it at that rate. Will the minister give us a list or at least some examples of the contracts.

Mr. Gardiner: I think I would be breaking the rule. If the chairman is going to permit me to give them, I suppose I had better do so. I do not think it is within the rules nor do I think the committee should expect to have them read to it. I think asking me to do so is an effort to kill time.

Some hon. Members: Hear, hear.

Mr. Charlton: Now, Mr. Chairman—

Mr. Gardiner: That is very obvious. There is something else coming up which the opposition thinks should not come up.

Mr. Charlton: On a question of privilege, the minister has accused us of wasting time. I want to say again what I said this afternoon—

Mr. Drew: Mr. Chairman—

The Deputy Chairman: Order. The hon. member—

Mr. Drew: Mr. Chairman, on a question of privilege, the Minister of Agriculture has just imputed improper motives in connection with the discussion which is taking place and I ask for the immediate withdrawal.

The Deputy Chairman: The hon. member had risen on a matter of personal privilege, and I think we should hear him.

Mr. Charlton: It was on a matter of personal privilege. The minister has accused us of trying to delay the house and wasting time. Mr. Chairman, the matter I brought up today was—

Mr. Gardiner: He knows what to say. The Leader of the Opposition does not need to tell him.

Mr. Charlton:—with regard to the matter of bringing up the agriculture estimates and these three agriculture bills before the house at the same time as the agriculture committee is meeting. The minister says we are wasting time. I think we can counter with the fact that the house leader, and probably the Minister of Agriculture, has been juggling the debates in order—

The Deputy Chairman: I made a point of making it possible for the hon. member for Brant-Haldimand to complete his point of personal privilege, because I thought he was entitled to do so under the circumstances. He will permit me to say that he should state his personal privilege and not raise another point. I am of the opinion that any accusation of deliberately killing time or wasting the time of the house is unparliamentary and should not be allowed to remain on the record. I find myself in a slight difficulty because what I understood the hon. member for Brant-Haldimand to say was that the minister had said this was a waste of time. I believe that all sides of the house have said that a good many things are a waste of time. Anything that we do not approve of may be from our point of view a waste of time, and I would not like to leave the impression that it is unparliamentary to say that something is a waste of time. But if the Minister of Agriculture was making the

statement that the hon. member for Brant-Haldimand was making a speech solely for the purpose of wasting time, then I am afraid it does not come within citation 257 of Beauchesne's famous third edition, which states:

> It is not out of order to say that a member has obstructed the business of the house, or that a speech is an abuse of the rules of the house.

But if he were deliberately making a speech for the purpose of obstructing, not that his speech itself was in some person's opinion a waste of time but that it was done for the deliberate purpose of wasting time, then of course the right hon. Minister of Agriculture will have to remove that.

Mr. Drew: Mr. Chairman, I rise on a question of privilege, and I wish to state the privilege quite clearly. The right hon. minister said that these speeches were being made for the purpose of delaying because something was coming up with which we did not wish to deal tonight. Mr. Chairman, the next thing to come up is the Customs Act, and we are ready to proceed with that, and I hope there will be no delay in proceeding with that. So no speech is being made on our side that has any purpose of delaying the proceedings of this house, because there is no reluctance on our part to deal with the next business. In fact we are most anxious to proceed with the Customs Act just as soon as possible.

Mr. Gardiner: Mr. Chairman, what I actually did say was that my hon. friend was asking me to read a list of expenditures on contracts for $10,000 or under, and that in asking me to do that he was asking me to waste the time of the house, and I did not intend to do that unless I am ordered to do it by the Chair. If I am ordered to do it, I shall read them.

Mr. Fleming: Pretty smooth.

The Deputy Chairman: The Chair is willing to hear the right hon. Minister of Agriculture. The house knows that the Chair cannot order any member to answer any questions or to make a speech on any subject. Since the question has been raised, I would express the opinion quite definitely that where a section of the act is for the purpose of raising certain requirements from contracts in excess of $10,000 to contracts in excess of $15,000, information as to such contracts let in recent years is in my opinion certainly pertinent to the question. But I am not ordering any member of the house to make any statement in the house.

Mr. Charlton: Mr. Chairman, I am not asking the minister to read all the contracts under $10,000 for the last five years. But I do say he should give us some good examples and give some justification for raising this from $10,000 to $15,000.

Mr. Gardiner: There is no reason to be found in any examples anywhere as to why this is being asked for. In the first place it was asked for by the government as a whole because a provision had been put through under the Financial Administration Act. It is all stated here. No one needs to ask any questions about it. A bill was put through known as the Financial Administration Act, put through by this house, that amounts up to $15,000 could be put through in that manner. All this bill does is make it possible to do the same thing under the P.F.R.A. The hon. member for Prince Albert has pointed out, since we came back after the recess, that the bill does makes provision for the Department of Agriculture—

Mr. Diefenbaker: The act.

Mr. Gardiner: The act makes provision for the Department of Agriculture but it does not make provision for P.F.R.A. This bill provides for P.F.R.A., so that everything that applies to other departments will apply to P.F.R.A. The only change from what it was before, when it said $10,000, is that it now says $15,000, and that before as minister I had to refer it to council. Now, in accordance with what is done in other departments, I must refer it to treasury board. The only reason why it previously went to council was that under certain circumstances it could be put through in a shorter time, when it came direct to council rather than going through treasury board. There were delays with treasury board for a few weeks in summertime when many members of the government were away from here, and then that could be taken to a council of four or more members and passed upon. As it is now, I shall not be able to do that. That is the only restriction that there is in it. It does not enlarge the authority I have; it reduces it. Under the two sections that are being taken out, I had authorities which I no longer have.

Mr. Charlton: Mr. Chairman, the minister does not have to go to council or treasury board for anything under $15,000—

Mr. Gardiner: Everything that goes to treasury board has to go to the council.

Mr. Charlton: Before you said that you had to go to council, that everything had to go to council. Now under this bill you do not have to go to either for any amount under $15,000.

Mr. Gardiner: Yes, anything over $15,000.

Mr. Charlton: That is what I just said, and the minister contradicted me.

Mr. Gardiner: I said that going to the treasury board takes longer and restricts me more in my actions than going to council direct, no matter what the amount is.

Mr. Charlton: I still submit that the minister does not have to go to either the governor in council or treasury board now with a contract less than $15,000, while previously he had to go to the governor in council for any contract over $5,000.

An hon. Member: Ten thousand dollars.

Mr. Charlton: No, over $5,000 in some cases, and to the treasury board for a contract over $10,000. Now he does not go to either for anything less than $15,000. It is certainly not restricting in any way.

The Deputy Chairman: Shall the clause carry?

Mr. Diefenbaker: Mr. Chairman, apparently somebody is trying to curtail the minister's power, or at least slow him up a little. The minister says he has to go to the treasury board, and he used to go to the governor in council. Would the minister tell us how many contracts during the last year were required to be placed by him before the governor in council? That would simplify it. He would not have to read a large list but just tell us how many were over $10,000.

Mr. Gardiner: There is nothing on record here that would indicate that, or on any record you would find anywhere. I would have to go back and check on every council meeting that had been held and find out that I took a particular amount to council. That would make a delay of some time, but I could get that by the time my estimates are here.

Mr. Diefenbaker: The minister has been saying it is in the report but it is not.

The Deputy Chairman: Shall clause 1 carry?

Mr. Drew: Mr. Chairman, the minister has not submitted a single reason of any kind for this increase. He can do that only by giving us examples of what has been taking place of the sort of thing that would require an extension of this power.

Mr. Gardiner: The hon. gentleman assumes that the Minister of Agriculture has been doing something that the government does not agree with—

Mr. Drew: I said no such thing.

Mr. Gardiner: —and has brought in a bill to remove the powers he has. No such thing has happened at all. There could not be any other reason for what he has just stated but that. That is the only one there could be. In other words, he is trying to find out what it was that the minister took to cabinet and asked cabinet to pass that made them bring in this bill to cut down his authority.

Mr. Drew: Mr. Chairman, I would hope that at least the minister would deal with what I said. I cannot expect him for five minutes to keep to any relation to accuracy but I would have hoped that when he rose immediately after I spoke, he would at least deal with what I said. What I said was this, and I repeat it. I said that the minister had not given evidence of any kind to show any reason why there should be this extension. Before this extension is granted I would have hoped that even those on his own side would have suggested the advisability of examples being given of the kind of thing that calls for this extension. Not a single thing has been given. I do not expect to get any information about what took place in the cabinet. After all, I am not accustomed to that kind of thing. I am not accustomed to the kind of situation or the kind of course the minister follows where he talks in Saskatchewan about what the government is going to do and then we find out from the rest of the government that they have never decided any such thing. I was not talking about the cabinet. I was talking about what this minister can place before us as evidence to support the claim for an extension of his powers.

Mr. Gardiner: Mr. Chairman, by what the hon. gentleman has now said I am convinced that he has a great deal more experience in that kind of thing than I have ever had. I have read a great deal about it in the past years but I am not going to recite it here on this occasion.

Mr. Drew: Just stick with what you are asked.

Mr. Gardiner: The hon. member has had given to him three or four times the only reason for it. The reason is given on the sheet. Take it and read it. The sheet says:

> The purpose of the change is to make the act consistent with the existing ministerial authority to enter into contracts for sums up to $15,000, as contained in the Financial Administration Act and regulations.

That is the only reason it is in there. There is no other reason that can be given; and I am not going to manufacture one for the pleasure of the Leader of the Opposition.

Mr. Drew: I was not suggesting that the minister manufacture one. Perhaps he could

tell us whether Mr. Dewar needs an extension of his power to deal with this matter.

Mr. Gardiner: I might tell the Leader of the Opposition that his seatmate just across the aisle, at the time that Mr. Dewar left this house, said to him that he was the most courageous man he had ever known in his lifetime to take action such as that which he took. I can prove that statement if it is necessary to do so. Then the hon. member rises on the floor of this house this afternoon and makes a long sing-song about this man getting a job. If he is the most courageous man that he had ever met, I am a little bit surprised that he did not give him a job himself. As to this matter of dragging in names of members who have sat in this house, I may say that there is a member sitting directly behind you who was not at all easy at the time that discussion regarding Dewar was going on in this house.

Mr. Drew: If we have not had anything else, Mr. Chairman, we have had a masterpiece of evasion because not one word that the minister has said has had any relationship at all to the matter before us. Will the minister not give as an example some single case that has arisen which calls for the extension of this power with regard to a department which is not operated on an exactly similar basis to the other departments? We are dealing now with P.F.R.A., not with a department of the government.

Mr. Gardiner: I have not a single reason to ask for it.

Mr. Drew: Then do not ask for it.

Mr. Gardiner: The time for my hon. friend to have been making the speech that he is now making was when the Financial Administration Act went through this house. I do not know whether or not he did so. I do not know whether or not I was here. But I do not recall any such speeches being made at that time. This bill says that I must do this. If the bill says that, or at least if the act says that, then of course this bill must come in. It was not a matter of whether I liked it or whether I did not like it. This Surplus Crown Assets Act says that any surplus crown property must be sold under the terms of this act and if any of the equipment of P.F.R.A. was sold in the interval since that act was passed under the authority given in this section, then it was sold illegally because that act says that notwithstanding anything that is in any other act, that is the way it must be sold. Then there is no reason for having this section in any longer and it is being taken out. The other one which is part of it and which is not in the same position just simply puts this department in the same position where it has to get land in the same way as any other department gets land. There is nothing unnatural about that. It is the ordinary thing that is done. Again I say there is only one reason for the bill being here and that is to bring us in conformity with the terms of the Financial Administration Act and regulations.

Mr. Drew: Then, Mr. Chairman, the situation can be summed up in this way. In the words of the minister, he has not a single reason why he wants this and now he wants us to pass it.

Mr. Gardiner: You cannot take that from what I said. It is as a result of a bill which makes me say I have got to have it.

Mr. Fleming: That is utterly fantastic.

Some hon. Members: Carried.

The Deputy Chairman: Shall clause 1 carry?

Mr. Drew: No. I submit that the minister must at least say he needs this section before the house passes the section as it is before us. He either needs it or he does not need it. He has just told us there is not a single reason why he wants it.

Mr. Gardiner: Just as the hon. member pointed out a few minutes ago, when I am out in Saskatchewan I have no right or no reason to disagree with anything that this government does. I cannot do so as long as I stay in it. The government wants this act in order to conform with all the other acts under which we spend money, whether I have any reasons or not. It is not a big enough question even to be taking as much time as we are taking here tonight to talk about it, no matter how long we talk, even if we go to ten o'clock, so that my hon. friend does not have to do some of the things he does not want to do tonight.

Mr. Drew: Mr. Chairman, I demand that the minister withdraw that remark. The remark implies that there is an improper motive in the discussion that is taking place. I have already pointed out that this is contrary to the rules and also contrary to the facts because we are ready to proceed with the Customs Act which has been announced as coming after this legislation. But we also have a right to discuss this particular act. I ask that the minister withdraw the suggestion that discussion of this act is for the improper purpose of delaying other proceedings.

The Deputy Chairman: In the remarks which I have just heard the Minister of

Agriculture make I cannot agree with the Leader of the Opposition that there was any assumption or insinuation which could be ruled as unparliamentary. Perhaps I might be permitted to say that in the warmth of debate on both sides of the house nobody is being deliberately complimentary to his opponents. But I cannot rule that the remarks made by the Minister of Agriculture come in the class of unparliamentary remarks.

Shall the clause carry?

Some hon. Members: On division.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

CUSTOMS ACT

AMENDMENTS RESPECTING VALUATIONS, DRAWBACK APPEALS, ETC.

Hon. J. J. McCann (Minister of National Revenue) moved the second reading of Bill No. 410, to amend the Customs Act.

Mr. Fleming: I presume the minister is going to make a statement.

Mr. McCann: Mr. Speaker, in order to meet the convenience of the house at this time I shall proceed with the second reading of this Bill 410, to amend the Customs Act. I am sorry that there has been a misunderstanding and perhaps I am somewhat to blame for that. It was not brought to my attention until this morning that we intended to proceed with this bill. During the years I have been in this house it has been customary to have the top officials of the department here, and especially when we go into the committee stage. I quite understand that at this point discussion should deal with the principle of the bill.

This is a simple bill and the essential purpose of it is to clarify and bring up to date certain sections of the Customs Act. Under the present law vehicles are required to report to customs when conveying dutiable goods. As the house is aware, the Department of National Revenue customs and excise division is now charged with the administration of other regulations, such as those involving the health of animals, insect infestations, diseases of plants, and so on. In addition, the departments of immigration and health are also concerned that everyone crossing the border should report. I believe that is normal procedure.

The only difference under this amendment is that, whereas only a person crossing the border with dutiable goods had to report, now all persons who cross the border have to report to the nearest customs official. He may report there for matters having to do with immigration because immigration officials at border points are usually in the same offices as the customs officials. It may be that such persons would be bringing animals across the border, and under certain regulations which we administer those animals have to be examined and passed. The same situation holds true in connection with certain health regulations.

Under another section of the bill we propose also to amend the valuation sections in order to clarify and confirm our present principles of valuation. It is proposed to limit the period for appeals against the original appraisal.

A third section has to do with the powers of the tariff board. The tariff board will be empowered to hear appeals from departmental rulings affecting export as well as domestic drawbacks. This particular provision has been introduced in order to give the appellant what might be called a fairer chance with reference to matters which he might want to bring to the attention of the board, over and above the customs officials. At the present time, if goods are diverted from the use for which entry was gained at a lesser rate of duty, we can only make a demand for the proper duty from the person found in possession of the goods. It seems desirable to hold the original importer responsible in cases of this kind. Very often we have found that an importer will bring into the country goods on which duty has been paid and then it appears that the valuation of the goods has been changed. In the meantime, he has disposed of the goods to some person and we can only hold that second or third person responsible for the duty. We feel it would be better administration to hold the original importer responsible.

At the present time a lien holder has only 30 days from the date of seizure to apply for a judicial order declaring his interest in the goods or vehicle so seized. It is proposed to extend this time to 60 days. We believe that is a right which should be given to the lien holder, so the period for this declaration will be extended from 30 days to 60 days.

I do not know that there are many other principles involved in the bill that we are considering. What has struck me about the explanations my officials have given with reference to the valuation for duty purposes is that they are based mostly on the value in the country of export under comparable conditions. Very often present trade practices make it impossible to find comparable con-

ditions in the country of export. For instance, let me give you an example without mentioning any names at all. A company doing business in Canada may have their manufacturing plant in the United States, and may take the full output of that particular factory. The factory does not sell to other people in the United States. In that instance, there are not comparable conditions of sale. We feel that the departmental appraisers should have the authority to appraise those goods and apply the rates of duty that are applicable. That is just one of the instances.

I feel that the most important section in the bill is section 35 which has to do with the valuation for duty purposes. Hon. members will recall that a year or two ago we made an amendment to the Customs Act when the matter of dumping duty was brought up. Since that time we have had about 20 appraisers appointed in the different countries. By reason of having these appraisers, we have been able to get better valuations of the goods exported to this country. We have one appraiser in Japan, one in Poland and one in Czechoslovakia. Recently Czechoslovakia was anxious to export goods to Canada. We thought we could not accept their valuation unless an official of our department had access to their cost sheets and to their invoices which they sent out. They have agreed to that and we now have an appraiser in Czechoslovakia. I believe there are about 15 such appraisers in the United States.

Mr. Macdonnell: And none in the United Kingdom?

Mr. McCann: Oh yes, we have had them there. These appraisers I mentioned are in addition to the ones we had a year or two ago when the Customs Act was amended. We have them, of course, in the countries with whom we are trading all the time. We have officials in the United Kingdom, in France and these different countries with whom we have agreements, countries that are extensive exporters to Canada.

As a result of having appraisers in the United States we have been able to establish certain duties. Hon. members will recall that in the debate that took place when the act was amended it was held by some that there was a lot of dumping into this country and there was what was called depressed and end-of-the-line selling. In order to cure that, we had our appraisers take valuations. The manufacturers concerned have given them the freest access to the information. We have had them take valuation of the lines of goods that were coming into this country about which complaints were received, principally textiles. I think perhaps the complaints were the result of the depression of the textile business in Canada, which I might point out was world-wide and obtained in many other places. It was because of these complaints that our efforts were put forth in connection with textiles, frigidaires and certain electrical goods. As a result of that, where there was what was called depressed selling and end-of-the-line selling we went back over these invoices and took the prices at which the majority of the goods were sold. We had the right to go back over the average prices for a period of six or nine months, or a year—I am not sure of the exact time at the moment.

Mr. Fleming: Six months.

Mr. McCann: Yes, I believe that is right—six months. Had I the data here I could show thousands upon thousands of invoices, the information from which enabled us—and we did—to put on a price on what might be called end-of-the-line of fire sale or distress goods. We found that the prices at which those goods were entered into Canada were equal to or above the prices charged in the country of export in the days of their earlier and larger sales.

Mr. Fleming: Is the government satisfied that the present bill conforms with the provisions of GATT?

Mr. McCann: I am told by my officials that it does. When we come to that section hon. members will see a number of alternative methods by which we get at the valuation. However, we will discuss them in more detail when we get to them.

If we keep in mind the fact that these are values for duty purposes, then we will have a clearer understanding of why you cannot lay down in one rule or one paragraph what shall be the value for duty. Because there are circumstances affecting the situation that do not apply to all types of goods. My opinion, after studying the matter as carefully as I can, is that you cannot have one yardstick which will meet all conditions. And if the first yardstick is not right you have to use another one, and perhaps another one, until you get what you think is a fair market value in the country of export.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, in a bill of this kind which lumps together a number of amendments to an existing statute, many of which amendments are not related to one another, it is not altogether easy to discern or isolate the principle of the bill. In a bill of this kind there are about as many principles as there are clauses.

However, after hearing the statement made by the minister I suppose the first question arising in the minds of hon. members would

be this: Why, in view of the indicated importance of the matters the bill contains, has it been delayed to this date? We have reached the late stages, we understand, of this session, and we are dealing with a bill which concerns matters all of which have been in existence for some considerable time. There was no mention of the bill in the speech from the throne. Its timing, to say the least, strikes one as being interesting.

There have been those of us in the house who have throughout this session been drawing to the attention of the government, as we did in preceding sessions, the fact that Canadian workmen have been losing their jobs as a result of the dumping in this country of goods that were being grossly undervalued for duty purposes, thereby creating a situation in which Canadian workmen were being called upon to compete against the prices of imported goods on an altogether unfair and unrealistic basis.

Now, no new situation has suddenly arisen in recent days to account for the introduction of this bill at the present time. It is a very important matter, Mr. Speaker. The only conclusion one can reach from the timing of the bill is that the government has been compelled at last to move, even at a limited pace, in the direction of meeting an existing threat.

It is not my purpose to attempt a detailed review of what the bill purports to do. There will be opportunity of course to do that in greater detail at the committee stage of the bill. But, sir, the minister has reviewed sections and has singled out one in particular. I am sure there will be no quarrel in any part of the house with those provisions of the bill which enlarge the right given to persons under the bill to seek relief from seizure or to seek to assert their right in regard to appraisals that are made. So far as the enlargement of the time or the clarification of the rights of appeal are concerned, of course the legislation will be approved.

But, sir, the minister had singled out as the most important provision in the bill the one relating to the amendment of section 85 of the act, pertaining to valuation for duty purposes. This provision will recall to the minds of members the rather stirring debates held in this chamber in December of 1953, at which time subsection 6 was added to section 35 of the Customs Act. That is the provision to which the minister has referred, which gave rise to a new power on the part of the minister to set a special value for customs purposes of goods that were to be brought in on an end-of-line or end-of-season basis.

Hon. members will not need to be reminded that in the course of the debate on that measure, the famous Bill No. 29, we in this part of the house said that the measure was inadequate for the purposes the government had stated. The result of some days' discussion was to make it abundantly clear it is almost impossible to discuss a subject pertaining to trade or the strengthening of anti-dumping provisions of our existing legislation, even when the bill is introduced by the government, without many hon. members in other parts of the house attempting to bring in some old shibboleths and some old and very base and unwarranted accusations in regard to the position of parties on the subject of trade restrictions.

Sir, let me remind the house that it was the government that then asked the house to strengthen its hands and give it new powers to set special arbitrary valuations on goods imported into Canada. That power was sought by the government for the purpose of dealing with an existing dumping threat. Let us look back to the words of the Minister of National Revenue (Mr. McCann) that he used in introducing the bill on December 7, 1953, when, as reported at page 673 of *Hansard*, he said, referring to section 35:

> It has been found in practice that the section as it is now worded has not been fully adequate to deal with certain practices which in fact constitute a special kind of dumping.

And later, at page 674, he said:

> The importation of such goods into Canada at abnormally low prices may cause injury to Canadian industry which is not in any real sense related to its relative efficiency or productivity. The government believes that this situation needs to be corrected, and to this end is proposing an amendment to the Customs Act.

That amendment, Mr. Speaker, added this new provision, to which I have made reference, to section 35 of the Customs Act. But let it be clearly remembered, sir, that the purpose of this addition to section 35 of the Customs Act was to give the government additional powers to grapple with the problems of dumping of foreign goods in Canada, and particularly United States goods, as we were told at an early stage of the discussion, under conditions that Canadian workmen could not fairly be called upon to meet.

We said that the measure was not adequate for the purpose that the government stated it had in mind. We have waited, sir, for a year and a half for our vindication, and we see our vindication here in this chamber tonight, because the government is back asking the house to replace section 35 with a very different kind of section, a provision that is intended again to strengthen the hands of the government to deal with the problem of dumping as well as the problem of setting

valuations on goods that do not come strictly within the scope of the dumping definition, but are required to have special values set upon them for duty purposes. Yes, the government is coming back to eke out what was left lacking in December, 1953.

Just as we told them at that time, their provisions were inadequate for the purpose that they stated was necessary and to meet the need that was clearly known to the house at that time, and now they come back and ask the house to strengthen their hands to meet these problems. These are the threats to Canadian workmen; these are the threats to employment in Canada. We have seen what these threats have done in the field of textiles, in the field of electric goods and in others, and now the government is back. A year and a half have gone. Many a job no doubt has been lost in the meantime. Now the government, after prodding from the opposition, has asked to add what was left lacking in the face of our warnings in December, 1953.

Well, sir, there will be fuller opportunity to discuss the type of amendment that is now put before the house in this bill when we come to the detailed review in committee stage. But, sir, I hope that hon. members in this house who sought in December, 1953, to picture Her Majesty's loyal opposition as raising the old tariff cry will find in this measure tonight directed at them a rebuke coming from the government, because the government is saying to the house now and saying to its own supporters in this house that it needs more powers to grapple with dumping in Canada and to meet what is lacking today in the government's powers to establish special and arbitrary values for duty purposes.

Now, sir, one would like to know just why the government has waited so long, why the government had to be prodded and pushed into taking measures of this kind. Sir, the minister talks about the difficulties in relation to comparable conditions and a definition of what are comparable conditions. Sir, all these difficulties have existed for years. These are not new expressions in our legislation, and they certainly are not new expressions within the last year and a half. These are expressions that have been embedded in this section for years. Why then does the government suddenly discover now that there are difficulties in determining and defining comparable conditions?

Sir, I think the house will have some questions for which it will need an answer at the hands of the government. Here are some that occur to me. Is there dumping in Canada today? Sir, if there is no dumping in Canada today, or if the provisions of our customs legislation are adequate today in the matter of empowering the government to establish special values for duty purposes, then why is this legislation introduced? No; there can be only one conclusion, sir, namely, that the legislation is inadequate and it has been inadequate to prevent dumping, and that dumping is going on today, as we have told this house this long time past.

Then, sir, is that dumping going on today? By whom is it being done? From what countries are the goods being dumped into Canada? How long has this dumping been going on? How long have Canadian workmen been left at the mercy of inadequate legislation in respect of dumping, inadequate legislation in respect of the empowering of the government to establish special values for duty purposes? In what commodities is this dumping going on? How many Canadian workmen have lost their jobs as the result of this dumping, and why, sir, has the government delayed this long to ask the house to give it strengthened powers to grapple with the threats to the livelihood of Canadian workmen?

I asked the minister a question: is this legislation in keeping with the provisions of GATT? The minister answered in the affirmative. It is evident that the opinion of the Department of Justice is that the house is competent to pass this legislation within the provisions of the general agreement on tariffs and trade. Sir, that recalls the changes made in this legislation in 1948. It will be remembered that in the legislation as it had existed up to that time there was provision in subsection 3 of section 35 that where neither the fair market value nor the equivalent of such value could be ascertained, the value for duty purposes should be determined to be not less than the actual cost of production of similar goods at the date of the shipment to Canada, plus a reasonable addition for administration, selling cost and profit. The Department of Justice was called upon to give an opinion, after the provisions of GATT came into effect, and they said that that provision in the Customs Act would have to give way in the face of article VI of the general agreement on tariffs and trade. Article VI provided in part as follows:

> No anti-dumping shall be levied on any product of the territory of any contracting party imported into the territory of any other contracting party in excess of an amount equal to the margin of dumping under which such product is being imported. For the purpose of this article, the margin of dumping shall be understood to mean the amount by which the price of the product exported from one country to another

(a) is less than the comparable price, in the ordinary course of trade, for the like product when destined for consumption in the exporting country; or

(b) in the absence of such domestic price, is less than either

(i) the highest comparable price for the like product for export to any third country in the ordinary course of trade, or

(ii) the cost of production of the product in the country of origin plus a reasonable addition for selling cost and profit.

Apparently, it was the view of the law officers of the crown that section 35, as it then read, offended those provisions of article VI of the general agreement on tariffs and trade. Then in 1948 the government asked the house to amend section 35 so that it might conform with the provisions of GATT. The house did write that amendment into section 35, and from that point on there was provision that only if:

neither the fair market value nor the equivalent of such value can be ascertained, the value for duty shall be the actual cost of production of similar goods at date of shipment to Canada, plus a reasonable addition for administration, selling cost and profit.

In the administration that has been given to that provision since, it has been taken as fundamental that the provisions cannot be applied in any case whatever unless it is impossible to determine the fair market value or the equivalent of such value in the country from which the goods are shipped.

We are now told that the new provisions embodied in Bill No. 410 conform with the provisions of GATT. I should like to know why we have had to wait seven long years since GATT came into effect before this step is taken to strengthen the amended provisions of section 35. The weakening of section 35 was carried out in 1948 and we have waited now for seven years before the government moves to put back a little of the strength into that section that was abstracted from it in 1948.

There is one final matter which I put in the form of a question. As I have suggested, we indicated our view in 1953 that the legislation now embodied in subsection 6 of section 35 would not be adequate for the purpose. Here is abundant proof, after another year and a half of delay, that our contention was correct and that it has been fully justified. Why does not the government admit frankly the error of a year and a half ago? I ask the minister to say, now that it has been found that the legislation was unsatisfactory in its form and effect and in the powers it gave to the government, why it has taken them so long to find that their legislation was unsatisfactory for this purpose.

We are dealing with something of considerable importance. I wish to emphasize again that no one has suggested that the house should follow a course not in keeping with the general agreement on tariffs and trade. It should not be necessary to make that statement, but in view of the way in which the house was invited to distort things that were said by members of Her Majesty's loyal opposition in the debate in December, 1953, it apparently is necessary to make that statement.

We are now being asked to move in the direction of strengthening and clarifying the provisions of the Customs Act. Why have we waited so long? How much harm has been done in the meantime by permitting to continue on the statute books of this country legislation which was weaker than it ever needed to be even while still conforming not only with the letter but with the spirit of the general agreement on tariffs and trade?

Mr. G. D. Weaver (Churchill): Mr. Speaker, it was not my intention to talk on this bill tonight, but as the hon. member for Eglinton (Mr. Fleming) proceeded I began to wonder whether we were dealing with Bill No. 29 of last session. The question of tariffs is a most important and difficult one to handle, particularly in this country with our vast areas. We are a country small in numbers, but because of our great size, because of the large proportion of our export trade, trade is vital to us, and it is far more vital to western Canada than it is to eastern Canada.

At the present time this government is fighting a magnificent rearguard action in the field of international trade against the forces of trade restriction that the hon. member for Eglinton tonight is upholding as being—

Mr. Fleming: Mr. Speaker, on a question of privilege, I stated in my remarks that I hoped it would not be necessary and it should not be necessary to make the particular statement which I did at that time. I made it abundantly clear that there was no question here of tariffs or raising tariffs and that nobody was advocating that. I made it abundantly clear that everything that was being proposed, that everything that was being urged on our part, as it was in 1953, was in keeping with the letter and the spirit of the general agreement on tariffs and trade. I hope that there will be no distortion on the part of hon. members of this house, such as we have just noted by the hon. member. There is no justification, there is no warrant whatever for the kind of statement the hon. member has just made, and I hope he will be good enough to withdraw it.

Mr. Sinclair: That is not a question of privilege.

Mr. Fleming: It is a question of the misrepresentation of something a member has said.

Mr. Weaver: Perhaps I could be excused for misunderstanding what the hon. member said, but it seemed to me that I heard him say that the government was being prodded and pushed into introducing legislation which—perhaps this is my confusion—was in a direction different from what we would like to see in western Canada. I say that the government is fighting a rearguard action against anything that would tend to restrict our trade. I am sorry if I said anything that would conflict with what the hon. member felt he had said. I was not thinking entirely in terms of what he was saying. I was viewing this from the larger horizon of a world that would like to throw aside restrictions and trade freely, but cannot because of misunderstanding, because of international difficulties which the great trading nation to our south is trying to overcome; and it is confusing to hear debate such as we heard on Bill No. 29. It is also pretty hard to tell sometimes whether the hon. members who are speaking are in favour of or against trade.

The administration of the great nation to our south are going a long way toward trying to remove restriction and we can see from this distance the difficulty they are having. We wish them well in that fight, and the reason we do that is that it is most important to us that they win that particular fight. We have to gain time and avoid the effects of restrictions, which almost approach insanity at times, which would take us back into something like what we had in the thirties. We have to keep away from restrictions, and if we can hold the line, as the government has been doing, we will eventually win through. It will not be by criticizing them for doing the job they are doing in keeping away from going back on the tariff road that has been travelled so often in the past.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I wish to add a word which perhaps I might not have added if it were not for the statement, to me utterly amazing and astounding, made by the hon. member for Churchill (Mr. Weaver), whom I have always regarded as one of the fairest men in the house until I heard what he said tonight. That shocked me more than I can easily say, because if anything has ever been made clear it was made clear by the hon. member for Eglinton (Mr. Fleming) that the last thing we were seeking was to restrict trade. All that this measure is doing, as has been pointed out on both sides of the house, is to try to make effective laws which are already on the statute books. But for the hon. member for Churchill to describe the government action as fighting a rearguard action against anything that would tend to restrict trade, that to me was a fantastic statement. As the hon. member for Eglinton has said, the government has come in here seeking to strengthen legislation which it brought in a year ago last December and which at that time we suggested had certain defects—I have the book open before me.

The hon. member for Eglinton was careful to ask the question as to whether what is now proposed was in accordance with GATT, which is seeking to keep the trade lanes open, so important to us in Canada, as we all agree. It is for this reason that I rise to object most strenuously to what the member has said. I do so because there are people of the baser sort up and down this country who will seek to represent what we are doing in that very way, but I never thought to hear it from the hon. member for Churchill. I hope that he will be frank enough to admit that he was wrong and to make it perfectly clear that he now understands the situation and that it is not the fantastic one he put before us a moment or two ago.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the motion?

An hon. Member: Ten o'clock.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1—*Duty to report.*

Mr. Fleming: Mr. Chairman, there is no doubt, I take it, that section 18 of the Customs Act does call for some amendment. It has been in effect in its present form for some time and undoubtedly there have been changes in conditions that may lend some colour to the apparent view of the government that every person arriving in Canada, whether on foot or otherwise, should go to the nearest custom-house. I wonder, however, if on examination it will not strike hon. members that, having regard to conditions in some parts of this country, these provisions that we are now invited to approve are much too severe and extreme. Behold, if you will, what we are asked to legislate. We are asked to say that every person arriving in Canada shall come to the nearest custom-house and, if he has, as presumably he has, a vehicle or luggage, he must before unloading or in any manner disposing thereof make a report in

writing to the collector or proper officer at such custom-house or station of all goods in his charge or custody or in the vehicle and of the fittings, furnishings and appurtenances of the vehicle and any animals drawing it and their harness and tackle, and of the quantities and values of such goods, fittings, furnishings, appurtenances, and harness and tackle. Then, in the third place, he must then and there truly answer any questions put to him.

It may not mean any difference in the practice at the major ports of entry. This obviously is what is done at major ports of entry such as Fort Erie and Windsor. But take our far-flung border with the United States. For instance, take the residents of western Canada who do not enter by roads that bring them alongside customs offices or custom-houses, whose road of entry into Canada may leave them 25 miles from the next custom-house. Are we to be asked to legislate to make it a duty for those persons before they unload their vehicle, unharness the horses or stop the motor car, to proceed to that nearest custom-house, perhaps 25 miles away, and at that custom-house give the inventory of the goods in their charge or custody or in the vehicle, and the fittings, furnishings and appurtenances of the vehicle and the animals drawing it and their harness and tackle? That is the kind of extreme legislation we are invited to put into effect here.

I have enough respect for the saving common sense of members of this house to believe that they do not wish to legislate in extreme terms such as that. Legislation of this kind may be simple enough of application in places where the person entering Canada is entering at a major port of entry, where there are customs officers waiting for him and there is a custom-house he must pass before he enters. But surely that is a far cry from conditions along the borders of the maritimes, long distances along the borders in Quebec, and very long distances in the northern part of Ontario and all across the west of Canada. Is it sensible to say that a man entering Canada under those conditions, even if the custom-house is 25 miles away, may not stop? Even if his home may be within a mile of the border, he must go the full 25 miles before he can unharness the horse or before he can stop his car and must make a complete inventory and then go back the 25 miles.

Mr. Boisvert: It is a good piece of legislation.

Mr. Fleming: I am shocked to hear my hon. friend from Nicolet-Yamaska say that legislation in such a severe form as that is good. Let us understand what that means. My hon. friend says that in a case where the farmer is crossing the border and his farm is, let us say, within a mile or so of the border, he must drive 25 miles, whether in a horse and buggy or a motor car, to the custom-house before he stops, and he must there declare the full inventory of the vehicle and everything he has in it before he can then turn around and go back home, having done a round trip of 50 miles. Sir, between now and the next time this matter comes up, I suggest that it is worthy of further reflection and that some saving provision should be introduced to mitigate its rigours and curb its excesses, such as I have mentioned, which are bound to create severe hardship.

Mr. Macdonnell: We ask that some common sense be used.

Mr. McCann: The hon. member for Eglinton, as usual, puts everything in its worst light. There are hundreds of points of entry along the Canadian border, and that is what this refers to. Previous to this amendment, it was only required that persons should report at the nearest point of entry if they had dutiable goods. Now under the system which we have at the border points, there are many other acts which are administered there, for instance, the acts and regulations relating to immigration and health, health of animals, insect infestation and diseases of plants. I am sure that the hon. gentleman does not seriously suggest that anybody can enter this country at any place along the border and not report to somebody that he is coming into Canada.

It is in order to clarify it that this section has been put into the act. The present law requires vehicles to report only when conveying dutiable goods or when the vehicle itself is dutiable. I would suggest that modern methods of transportation are the principal reasons or one of the principal reasons why we put this into effect. If the hon. gentleman had to deal, as I do and as my administrative officers do, with all the running there is across the line with automobiles at points on back roads and bringing in smuggled goods and the like of that, he would be the first to suggest that this legislation should be changed whereby it would be an offence if these people did not report to the nearest customs point.

Mr. Fleming: The minister says "these people". Look at the way he puts it. The minister talks about this smuggling and he says it would be a mistake not to require these people to report. Everybody wants to catch smugglers.

Mr. McCann: No; any person.

Mr. Fleming: I put a case on the basis of the extreme provisions of this act.

An hon. Member: Ten o'clock.

Mr. Fleming: The minister has not dealt with that case. The amendment he is introducing requires that any person coming into Canada must report to the nearest custom-house or station.

An hon. Member: Ten o'clock.

Mr. Fleming: He must do that before he can stop.

Mr. McCann: What is wrong with that?

Mr. Fleming: Somebody says ten o'clock, Mr. Chairman.

The Deputy Chairman: Shall I report progress and ask leave to sit again?

Some hon. Members: Agreed.

Clause stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: As soon as we finish this debate in the committee of the whole we shall proceed with the supply motion.

It being five minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, May 31, 1955

The house met at 2.30 p.m.

NATIONAL DEFENCE

D.E.W. RADAR LINE—CONTACT WITH ESKIMOS

Hon. George A. Drew (Leader of the Opposition): Yesterday, Mr. Speaker, I raised a subject that had been discussed in certain newspapers in the United States concerning the directive given in connection with fraternization between Eskimos and others from either Canada or the United States who may be working on the D.E.W. line. When I read the quotation from the New York *Herald Tribune* the minister indicated that he would take notice of the question I had raised. Then he closed his remarks in the first instance with these words:

> I might say immediately, however, that I do not agree with the quotation.

Mr. Speaker, I now learn that the quotation is from the agreement between Canada and the United States of America to govern the establishment of a distant early warning system in Canadian territory, which was effected by an exchange of notes with Washington on May 5 of this year, 1955. There were certain additional words not included in the—

Mr. Lesage: That is it.

Mr. Drew: In the quotation in the *Tribune*.

Mr. Lesage: That is why I did not agree.

Mr. Drew: The way the sentence actually read was as follows:

> All contact with Eskimos other than those whose employment on any aspect of the project is approved is to be avoided, except in cases of emergency.

The words used by the *Tribune* came out of the agreement itself, or the appendix to the agreement, and I submit they do raise a question of discrimination within our own country as between citizens who have the full rights of voters; and that should be a matter of concern to members of this house.

Mr. Lesage: I intend to make a statement on the matter when the orders of the day are called.

[*Later:*]

On the orders of the day:

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, yesterday the Leader of the Opposition raised a question concerning restrictions that have been placed upon contacts with the Eskimos by men engaged in the construction and operation of the distant early warning line. He referred particularly to a report in the New York *Herald Tribune* of Sunday, May 29, attributed to Mr. Gerald Waring of the press gallery, which he quoted as saying that all contact with the Eskimos is to be avoided except in cases of emergency. I said yesterday I did not think I could agree with the quotation because according to my memory there was more to it than that. The Leader of the Opposition at the opening of the sitting agreed with me that the quotation was not complete.

Yesterday I dealt briefly with some of the considerations in this matter, and I undertook to take the question as notice and prepare a more detailed statement for today. With regard to my answer to this question the Leader of the Opposition said, as reported on page 4219 of *Hansard* of May 30:

> In preparing his reply I hope that it may be one which will explain what does appear to many writers in the United States to be a rather unusual restriction upon the ordinary friendly contacts of members of the United States forces who are in Canada.

Again this afternoon the Leader of the Opposition referred to this aspect of the question.

I wish to say first of all that the regulations in question are not directed at the United States forces only. They are directed at any and all people having to do with the D.E.W. line. Everybody knows that the eastern portion of that line is being built by a Canadian contractor, the Foundation Company of Canada, Limited. The western part is being built by Northern Construction Company Limited, which is also a Canadian contractor.

However, I agree with the Leader of the Opposition that the restrictions which have been placed upon contacts may not be fully understood by many people in the United States. Might I draw his attention to the article to which he referred, in which we find a number of reasons why this agreement has been entered into. May I quote just two short extracts:

> "The Eskimos are in a primitive state of social development", the Canadian government said in its note to the state department. "It is important that these people be not subjected unduly to disruption of their hunting economy, exposure to diseases against which their immunity is often low, or other effects of the presence of white men which might be injurious to them.

D.E.W. Radar Line

As a matter of fact that is practically what I said yesterday. Another quotation:

> The government, which has a large scale program under way to broaden the base of the Eskimo economy and combat disease, is faced with medical evidence that the natives have little natural resistance to even relatively innocuous diseases of civilization.

Moreover, Mr. Speaker, it must be remembered that in the area from Coppermine eastward the Eskimos have had very little contact with our way of life. They are not used to our ways or customs. They do not understand what money is or what wage employment is.

As to the character of the restrictions, I might point out that they do not go so far as the New York *Herald Tribune* suggested, that is to exclude "all contact...except in cases of emergency." The provision is that employment should be under terms and arrangements concurred in by the department of northern affairs, and that other contact is to be avoided except in cases of emergency.

Might I just add that by coincidence this matter was under discussion yesterday by a standing committee on Eskimo affairs at the very moment the Leader of the Opposition inquired concerning it. This is an advisory committee consisting of the deputy minister and officials of the department of northern affairs; the commissioner of the Royal Canadian Mounted Police; Bishop Marsh, the Anglican bishop of the Arctic; Bishop Trocellier, who is in charge of the Roman Catholic diocese of Mackenzie and who was yesterday represented by Father Laviolette of the Catholic Indian educational services; Mr. Chesshire, general manager of the fur department of the Hudson's Bay Company, and officials of the Department of National Health and Welfare. The committee, I am told, spent more than three hours on Eskimo problems arising out of the distant early warning line. They considered particularly the provisions with regard to employment and contact, and the representatives of both churches, of the Hudson's Bay Company and of the Royal Canadian Mounted Police, and the other government officials were in complete agreement as to the necessity for the restrictions and with their character and application.

Mr. Drew: Mr. Speaker, I would point out that my question yesterday was directed to the articles I had seen, and I mentioned particularly one which quoted directly from the Canada-United States agreement. I would point out that the opening part of the section of the agreement which deals with Canadian Eskimos has this to say:

> It is important that these people be not subjected unduly to disruption of their hunting economy, exposure to diseases against which their immunity is often low, or other effects of the presence of white men which might be injurious to them.

If we have reached the point, Mr. Speaker, when we have to put an iron curtain around our own white men in our own country—

Some hon. Members: Oh, oh.

Mr. Drew: —then there is indeed a problem with which we are called upon to deal. We have been proceeding for these past few years and, in fact, for generations, in the belief that the contact of the white man with primitive races in different parts of the world was to the advantage of those peoples. If in fact these requirements are necessary, then there is something to be done with regard to the white people just as much as with regard to the Eskimos.

Mr. Lesage: Mr. Speaker, I do not think I can allow that statement to go without reply. I believe the policy of the government and the department is sound. It has been approved by people who have had a great deal of experience with the Eskimo population. If the Leader of the Opposition wishes to substitute his own judgment for that of all the advisers whom I have consulted, and is satisfied to do that, that is up to him.

Mr. Drew: Mr. Speaker—

Some hon. Members: Order.

Mr. Drew: —on a question of privilege, there was no introduction of my judgment into this matter. I was simply raising the point that these regulations impose restrictions regarding the association of white men with people who are described as a primitive race; and if this is to be the attitude of the government it is a strange attitude indeed, having regard to the extent to which we are trying to advance the interests of primitive races in every part of the world by contact with white men.

Mr. Pouliot: Mr. Speaker, as between the Eskimos and some white men, I would choose the Eskimos.

Mr. Drew: I agree with you.

GRAIN

ANNOUNCEMENT OF INITIAL PRICES FOR CROP YEAR BEGINNING AUGUST 1, 1955

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I wish to announce that the government has approved

initial prices paid by the Canadian wheat board on wheat, oats and barley for the crop year beginning August 1, 1955 at the same levels as during the present crop year.

The initial prices are as follows:

Wheat: $1.40 per bushel basis No. 1 Manitoba northern in store Fort William-Port Arthur or Vancouver.

Oats: 65 cents per bushel basis No. 2 Canada western in store Fort William or Port Arthur.

Barley: 96 cents per bushel basis No. 3 Canada western six-row in store Fort William or Port Arthur.

[*Later:*]

INQUIRY AS TO SETTING OF GRADE SPREADS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce arising out of his most welcome announcement that the initial prices for grain will be maintained in the coming year. Can the minister say when grade spreads will be established, and whether they can be established in time to enable the elevator companies to issue cash tickets for grain at the beginning of the crop year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The spreads are established after the quality of the grain is known. I have never known spreads being established in time so the first deliveries to country elevators can be graded. The first shipments are graded approximately and an amount is held back to permit adjustment. I will ask that the greatest possible expedition be used to establish the spreads this year.

FLOODS

SASKATCHEWAN—STATEMENT ON DECLARING OF EMERGENCY AND ASSISTANCE TO FARMERS

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Yesterday the hon. member for Prince Albert (Mr. Diefenbaker) asked me the following question:

> I should like to direct a question to the Prime Minister. Did he receive a communication from the directors of the Saskatchewan wheat pool on Friday asking for an immediate decision on the question of an emergency being declared in the flooded areas of Saskatchewan, and also requesting that some emergent assistance be given to the farmers in those areas? If so, what is the present position?

A telegram was received from the secretary of the Saskatchewan wheat pool dated May 24—not Friday but Tuesday—suggesting that in instances where seeding in Saskatchewan had been prevented this year because of flooding there is urgent need for some form of compensation on a scale which would require participation by the government of Canada. With the approval of the house I should like to table a copy of the telegram and of the acknowledgment that was made to these representations.

The present position is that on two occasions members of the federal government have met members of the Saskatchewan government who have provided information on the damage caused by the floods in that province, and the question of federal participation is now under consideration.

Mr. Speaker: Has the Prime Minister leave to table the documents referred to?

Some hon. Members: Agreed.

Mr. J. G. Diefenbaker (Prince Albert): I thank the Prime Minister, and I should like to ask him one question in that regard. In view of the serious emergency conditions under which 8,000 farmers on a million and a half acres will not be able to produce any crop this year, according to the estimate, is it possible for the Prime Minister to say whether or not early action will be taken?

Mr. St. Laurent: Well, Mr. Speaker, all the data that have been placed before us are being considered, and we are having tabulations prepared. It is the intention of the government that the people of Saskatchewan be treated according to the same principles that were applied in former cases where there were disastrous results from events over which no one could have any control.

MANITOBA—INQUIRY AS TO RECEIPT OF REPRESENTATIONS

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to ask the Prime Minister a question supplementary to the question asked by the hon. member for Prince Albert (Mr. Diefenbaker). Has the Prime Minister received representations with regard to flooding in Manitoba similar to the Saskatchewan representations and, if so, have any negotiations been carried on with officials of the Manitoba government?

Right Hon. L. S. St. Laurent (Prime Minister): No, there is nothing I can add to the statement I made the other day. There was a request from the attorney general for assistance by the armed forces, which was complied with in the usual form, and there

have been no other representations made to the government since that time.

BUTTER

INQUIRY AS TO CONSUMERS BENEFITING BY REDUCED PRICE

On the orders of the day:

Mr. G. H. Castleden (Yorkton): I should like to direct a question to the Minister of Agriculture, or in his absence to the parliamentary assistant. Is the benefit of the reduced price on government butter now being supplied to the retail trade in Canada being passed on to the consumers?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, I think it has been passed on to the consumers in the price they have to pay in Ontario, at any rate.

FOREST FIRES

NOVA SCOTIA—STATEMENT ON DAMAGE

On the orders of the day:

Mr. S. R. Balcom (Halifax): Mr. Speaker, may I direct a question to the Minister of Public Works. Will the minister report briefly to the house on his visit last week to the fire-ravaged areas of Nova Scotia?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I thank the hon. member for Halifax for giving me notice of his intention to ask this question.

Severe forest fires swept through several areas of Nova Scotia a week ago and centred particularly in the Mount Uniacke, Timberlea, St. Margarets Bay, Bridgewater and Liverpool areas. At that time the damage to buildings was reported to be particularly heavy in the latter two regions. Some of the fires raged uncontrolled for several days. During this period we were in constant touch with the premier of Nova Scotia, local municipal officials and others, and learned that in addition to considerable woodland, about 80 buildings and some livestock were destroyed in Lunenburg and Queens counties. Fortunately no lives were lost.

On Friday last, thanks to my colleague the Minister of National Defence (Mr. Campney), I flew over the devastated areas in a Royal Canadian Navy helicopter and subsequently visited on the ground. I took the opportunity of extending to those who sustained losses the sympathy of the government and of the people of Canada generally. Some of the people to whom I spoke had lost the results of a lifetime of hard work. I also met with the relief committees.

What struck me most forcibly, in addition to the losses, were the heroic efforts of fire fighters who, through extraordinarily hard work, were able to keep the property loss from being vastly greater than it was, and the magnificent manner in which the people of the stricken areas have rallied to the support of those who have suffered. The Salvation Army, the Red Cross and radio station CKBW in particular have done outstandingly good work. Officials of the departments of fisheries and public works were in the fishing centres to render what assistance they could.

Campaigns are now under way to raise funds to re-establish those who have suffered losses, and particularly to provide fishermen and farmers with the tools of production so they can soon again produce and earn. The relief committees are working diligently at collecting funds and assisting where necessary in caring for those who have lost their homes. The response has been good, but more money is needed and the appeal is continuing.

ARCTIC REGIONS

REFERENCE TO REPORTED RUSSIAN ACTIVITIES

On the orders of the day:

Mr. Roland Michener (St. Paul's): Mr. Speaker, may I address a question to the Minister of National Defence or to the Minister of Northern Affairs and National Resources. Has the minister taken note of a reported statement by Captain O. C. S. Robertson of the Arctic exploration ship *Labrador* that the Soviet union is far wiser in the ways of the strategic Arctic than we are in the west, and that Soviet Arctic specialists are miles ahead of us?

Hon. R. O. Campney (Minister of National Defence): I am not aware of the statement to which my hon. friend has referred, but I shall be glad to look at it.

Mr. Michener: It is in the *Gazette* of this morning.

PARLIAMENT HILL

REFERENCE TO CONDITION OF LOOKOUT SHELTER

On the orders of the day:

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Would the minister and his department give consideration to having the remains of what used to be a covered shelter, standing in a most prominent place on parliament hill overlooking the river, either painted so it will look respectable, or replaced by something more suitable?

Some hon. Members: Order.

An hon. Member: A national emergency.

Hon. Robert H. Winters (Minister of Public Works): I shall be glad to look into the matter.

CANALS

CHIGNECTO—REPORTED CONSTRUCTION BY ST. LAWRENCE SEAWAY AUTHORITY

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, may I be permitted to direct a question to the Minister of Transport (Mr. Marler), or in his absence to his parliamentary assistant. Am I correctly informed that the St. Lawrence seaway authority are giving active consideration to a proposal to construct the Chignecto canal?

Mr. L. Langlois (Parliamentary Assistant to the Minister of Transport): Mr. Speaker, I am not aware that the St. Lawrence seaway authority are contemplating such construction at this time.

CUSTOMS ACT

AMENDMENTS RESPECTING VALUATIONS, DRAWBACK APPEALS, ETC.

The house resumed, from Monday, May 30, consideration in committee of Bill No. 410, to amend the Customs Act—Mr. McCann—Mr. Robinson (Simcoe East) in the chair.

On section 1—*Duty to report.*

Mr. Fleming: Mr. Chairman, last night I suggested that while section 18 of the Customs Act, having stood on the statute books for a long time, may now be in need of revision, in my opinion the legislation now before us has taken a very extreme form. I should like to ask the minister if, on further reflection, he has concluded that the legislation should take a less extreme form, and that it is not fair to place upon every person arriving in Canada, on foot or otherwise, the statutory duty to proceed to the nearest customs house regardless of whether it is near or far?

Does the minister think it proper that before a person travelling in a vehicle terminates his journey he should have to proceed to that customs house and there give to the officer in charge an inventory of all goods in his charge or custody? I am sure all members of the house want to see all the teeth put in this legislation that are reasonably required, but it is going a long way to put a statutory duty on everyone who enters Canada at any place—a place, for instance, which might be 25 miles from the nearest customs house—to proceed to that customs house before he may stop or go home or do anything else.

Customs Act

Mr. Houck: Before the minister answers the question, may I say something apropos of what the hon. member for Eglinton has said. Representing a border riding, naturally I am very anxious, as are other people along the border, about this clause in the bill. We are wondering, and I think it has come about through erroneous reports, whether or not everyone crossing the bridges will be forced to enter the customs yard and subject themselves to a thorough investigation by the customs officers.

Last year at the port of Niagara Falls alone we had 1,100,000 cars of both the permit and non-permit class, and at the Fort Erie port there were some 1,400,000 cars in these two classes. Many of these people have asked me, especially people from Buffalo who own summer places along the lake shore, if they would be required to go into the customs yard every time they crossed the border. I should like to point out to the minister that I am not a lawyer, for which I am very thankful, but a reading of the section would lead one to believe that every commuter or non-commuter will be obliged to enter the customs yard and subject himself to a thorough examination by the customs officer every time he crosses the border.

Up until a few years ago there was a shortage of officers on the United States side of the Peace bridge to examine the cars desiring to enter the United States. I have seen cars lined up for two miles because of the shortage of officers. If this bill means what I think it must, and what I hope it does not, it would cause not only a traffic hazard but a great deal of inconvenience to the commuters. I would be greatly relieved, and I believe the customs officers would be as well, if the minister would make a statement verifying the fact that there will be no change in procedure. Certainly the customs officers are the ambassadors of friendship, and are the first people our tourists meet. In view of the millions of dollars the tourists leave annually in Canada I believe we should do everything we can to ease their way into this great dominion. I hope the minister will give me some clarification of this bill so I can explain to the people what it actually means.

Mr. McCann: To set the minds of the hon. member for Eglinton and the hon. member for Niagara Falls at rest, I will say that there is no change, and no change is contemplated, in the procedure which has been followed for the last 40 or 50 years. I have crossed a lot of borders myself in Europe, and I know of no country where one would not have to report upon entering the country. There has

been no change whatever in that. We are putting it into the law here, but the commuters will not suffer any inconvenience whatever.

As a rule what happens is that the first time one enters the country, say from Buffalo over to Fort Erie, he is given a sticker to put on his car. This sticker identifies him as he comes along and the customs and immigration officials at that point know the person and see that he is not held up for one minute.

We felt that at this time we should put it into law, and the purpose of the amendment is to require all vehicles arriving in Canada to report to customs in order to ensure the proper administration not only of the Customs Act but of all other acts which are enforced by customs officials. This includes, as I said yesterday, acts and regulations relating to immigration, health, the health of animals and so on. I do not believe this ought to call for much controversy. It is a practice of many years' standing that is being regularized now by law.

Mr. Macdonnell: I find the minister very difficult to follow. The hon. member for Eglinton and the hon. member for Niagara Falls have pointed out the practical considerations. The hon. member for Eglinton pointed out that if we read this literally it seems to involve people, for instance, in the western country where there are many rural roads, in almost impossible inconvenience. When the minister says nothing is going to be altered, does he mean that in the situation so clearly described last night by the hon. member for Eglinton the people are just going to disregard the law?

After all, when the minister says there is going to be no change that means either one of two things. Either we are not reading this correctly, and I think that is not the case, or it is not going to be followed through. Let the minister take the case described by the hon. member for Eglinton last night and describe what happens and how this may be within the four corners of this section. I cannot see how it could be. Last night the hon. member for Eglinton described the case of a man coming across the border perhaps 20 miles from the nearest officer or reporting station, and outlined the possibility, if this section means what it seems to mean, of this man having a duty to take that journey of 20 miles there and 20 miles back before he has discharged his duty to the customs authorities. Now the minister says this is not going to change anything. If it is not going to change anything then this seems to me to mean nothing.

[Mr. McCann.]

Mr. Stuart (Charlotte): This section under discussion reads as follows:

> Every person in charge of a vehicle arriving in Canada, other than a railway carriage, and every person arriving in Canada on foot or otherwise, shall
>
> (b) before unloading or in any manner disposing thereof, make a report in writing to the collector or proper officer at such custom-house—

I believe this has been the practice at every customs port in Canada as far back as I can remember. I fail to see any change there. I have some knowledge of water transportation and transportation by vehicle, and within my memory there has never been a time when the practice outlined in paragraph (b) has not been applied.

Mr. Macdonnell: Read paragraph (a).

Mr. Stuart (Charlotte): I have read it, and I cannot see anything in (a) that would change the customs procedure in this country from what it has been for as far back as I can remember.

Mr. McCann: The hon. member for Charlotte is quite right. I want to read section 20 (1) in the Immigration Act:

> Every person, including Canadian citizens and persons with Canadian domicile, seeking to come into Canada shall first appear before an immigration officer at a port of entry or at such other place as may be designated by an immigration officer in charge, for examination as to whether he is or is not admissible to Canada or is a person who may come into Canada as of right.

We believe the same principle ought to apply with reference to customs ports. I doubt very much if there are any places, in any event not many places, where one would be so inconvenienced that he would have to travel 40 miles, as the hon. member for Eglinton suggests, to report to an office. The offices at which a person could report are much closer together than that. A man coming into Canada, no matter in what kind of vehicle, knows he has to report so does not go the long way around. He does not go along two sides of the triangle when he could go by a direct route that would bring him to a port where he could declare any goods he may have and at the same time declare to the immigration officers that he is entering Canada.

Mr. Fleming: The minister's earlier remarks were intended to be reassuring, but unfortunately his remarks seem to be at variance with the explanatory note in the bill. The explanatory note, after quoting the provisions of the present section 18, goes on to say:

> The purpose of the amendment is to require all persons to report.

I daresay if, as the minister says, there is to be no change in the method of enforcement, no change in procedure at the border, if it were accepted, that would allay some of the apprehension of hon. members in the face of the very extreme language of the new section. However, we then have the explanatory note which seems to be in keeping with the plain provisions of the new section, that the purpose of the amendment is to require all persons to report.

It is one thing to say there is no change contemplated in the procedure at the border. The hon. member for Niagara Falls, who lives closely with this problem, will want very definite assurance that it is not a matter left simply to the whim of the local customs officer. Here we are not dealing with language which says that any person entering Canada shall report if called upon to do so by a customs officer. This new section purports to lay upon him a duty to report, and it is not one that is enforceable simply at the whim of the officers.

I am still greatly troubled by the case I have put, where a man enters Canada by a route that is not close to one of the border points in common use, and which is not close to a customs house. If the minister is going to put a statutory duty on that man then there are going to be a great many unwitting law-breakers in this country, in the face of language that seems to me to be very extreme.

Mr. McCann: It is a legal requirement. I am afraid the hon. member thinks that if a man comes over the border into Canada he must immediately go to the customs office and declare. If it happens in the middle of the night and the nearest port is closed, we accept that man's entry at the earliest possible convenience for him, which would be the next day. So there is no inconvenience there. It is a legal requirement, and I think the hon. member for Niagara Falls will testify to the fact that this has worked out well both at Niagara Falls and at Fort Erie, two of the largest customs centres from the point of view of the number of people entering Canada.

We have had practically no complaint with reference to this requirement. As I say, it has been going on for years and years, and the change is that now it is put in the law. It was the law that if they had dutiable goods they must go and declare them. If this measure passes it will be the law that, whether or not they have dutiable goods, as early as is practicable and possible they will have to go to the nearest customs office and declare whether or not they have anything that is dutiable. They must do that anyway for immigration purposes. Therefore no extra inconvenience is thrown on them.

Mr. Fleming: If the position were as the minister has stated it we would not need to spend much time discussing it, because that would be reasonable. But unfortunately what the minister has said is not what is said by the language of the section. The minister has said that certain things can be done "as early as is practicable". He cites the case of the customs house being closed in the middle of the night. If it said "as early as practicable" that would be the saving provision; it would be the sensible thing and would take some of the sting out of the clause as I find it.

Unfortunately, however, the minister's interpretation of what the clause means is not what the clause says. Let us look at section 18 (b), which says:

> Every person in charge of a vehicle arriving in Canada, other than a railway carriage, and every person arriving in Canada on foot or otherwise, shall . . .
>
> (b) before unloading or in any manner disposing thereof, make a report in writing to the collector or proper officer at such custom-house or station of all goods in his charge or custody or in the vehicle and of the fittings, furnishings, and appurtenances of the vehicle—

And so on. There is no language there that says he is to do it as soon as is practicable. And there is nothing in paragraph (a) that says that when a customs house is closed it will be sufficient if he comes back and makes his report as soon as possible. On the contrary, the language of (a), the language of (b) and of (c) are all mandatory and unqualified. Let us look at 18 (a) which says, in effect, that if a person arrives in Canada he shall go to the customs house nearest to the point at which he arrived in Canada.

It is all very well when he is going to a customs house at a border point, where such customs house is located right at the point where he enters Canada. But there are many places where people enter Canada today where there are no customs houses located near the point where they are setting foot on Canadian soil.

I suggest the minister should look at the language and trim it down until it meets what he has said is the purpose of the legislation. He has pointed out that the person is to do what is practicable in the circumstances, and if that language were inserted it would meet the objections, the fears and the apprehensions in the minds of hon. members about the section as it stands. But it will take something more reasonable than the language now appearing in the clause to allay the fears and apprehensions in the minds of hon. members. Let the minister introduce words

such as he mentioned in his explanation, words such as "as soon as practicable", and that will meet the objection raised.

Mr. McCann: Perhaps I should have said "reasonably convenient". I am thinking of a case where a man crosses the border at twelve o'clock at night. He has a tongue in his mouth and can ask, "Where is the nearest customs station?" "Well, there is one ten miles to the east", or it may be ten miles to the west. "I have to report there; is that place open?" "No, it will not be open until nine o'clock tomorrow morning." If he wishes, he can stay at an inn for that night and go in the morning to the customs house.

Can the hon. member suggest to me any other way in which we can keep track of people coming into this country and whether or not they are carrying dutiable goods, unless they are registered in some way? If they are coming in as immigrants they have to register. If they are coming in with dutiable goods or with a vehicle they must declare the fittings, furnishings and appurtenances of such vehicle. That refers of course to any extra tires and that sort of thing. We keep the closest touch we can with these people, and believe it would be in the best interests of the country to have them register at the nearest customs house.

Mr. Fleming: If the minister would introduce the words he used in his explanation it would meet the requirements of the situation. He used the words "as soon as practicable" and later the words "as soon as reasonable". Either of those expressions would meet the situation. But if we do not add words like that, then the legislation places upon every person a statutory duty that is unqualified, requiring him to go to the nearest customs point and report there before going anywhere else.

That is not reasonable. It may be simple where people are entering at important border points during the day, but it is quite unreasonable to lay an unqualified statutory duty upon people, as it is set out in the language of this section. Therefore I am asking the minister to make the section conform with the purpose he has described by introducing at line 9 the words "as soon as practicable", to meet the needs of the situation.

Mr. McCann: This is a statutory duty under the Immigration Act. I do not know how anything could be a greater invitation to people who wish to smuggle than to have the law provide that they would not have to report.

[Mr. Fleming.]

Mr. Fleming: It is not a question of having to report. It is a question of the circumstances under which they report. We are not talking about immigration; we are talking about the Customs Act. As I see it there is no difficulty in connection with persons who are entering as immigrants, because those people are entering at well established points and there are a number of other requirements they must fulfil. But you have many people entering this country in vehicles, crossing the border to and fro. Surely you are not going to put upon them a statutory duty in the language of this clause. If the minister will make the language of the clause conform with his statement of purpose, in which he was very careful to use the words "as soon as possible", he will meet the needs of the situation, but not otherwise.

Mr. Stuart (Charlotte): Mr. Chairman, mention has been made of isolated places along the border. I believe it will be found that at these small border crossing points immigration inspectors are also customs inspectors. It is illegal for people to go from one country to another without getting in touch with an immigration inspector, and when you get in touch with him you are usually in touch with both, so far as the small crossing points are concerned.

Let me say in all sincerity that a great deal of discretion is used by customs officers, as is well known by the minister and his deputy. I should like to give one example in the locality from which I come. In that area there are a great many who are employed in boating and freighting across the border into the United States. They come back, and the department has always been more than helpful in every way in suggesting to the boatman that when it is convenient he should come to the customs office, but not to lose freight on account of doing so. That has applied as far back as I can remember and for long before that. When it is convenient for them to come to the customs office they do so. It is done at the discretion of the officers who know the local conditions. They are carrying out their work in a most efficient manner, and with satisfaction to all concerned.

So far as this regulation dealing with border crossings is concerned, I have every faith in the personnel at the border, and I hope they carry on exactly as they have in the past. I assure you that no Canadian coming back into Canada and no citizen of the United States going into that country can complain that at any border crossing point they have not been treated kindly. As I said before, I believe this bill confirms

exactly what is taking place and what has taken place over a period of many years.

With respect to the change suggested by the hon. member for Eglinton, I still have a great deal more faith in the discretion of the officers, than I would have in any change in the wording of this act.

Mr. Macdonnell: Mr. Chairman, it seems to me that the situation is very clear, and the hon. member for Charlotte has made it very clear. We have got on extremely well because the officers at the border have been allowed to exercise their own discretion and ignore the law. Now, that does not—

Mr. Stuart (Charlotte): On a question of privilege, I did not say anything of the kind. I have never suggested that anyone should ignore the law. I said these things were done with the knowledge of the department. The particular practice I cited has gone on for 50 years or longer. The department is well aware of the fact, and it will go on for the next 50 years. I have every reason to believe that the officers in these particular localities, knowing local conditions, are in a much better position to take care of this situation than we are here, by making a change in the regulation.

Mr. Macdonnell: I am sorry if the hon. member for Charlotte thought I was not fair in repeating what he said. I thought what he said was very sensible. I took down part of what he said. He described the attitude of the official in dealing with this matter. He said, "When it is convenient for you to come, come". That is good sense. That is obviously what has been happening, but it is not in accordance with this section. I submit, as my colleague the hon. member for Eglinton has submitted, that it would be very easy to make a change in the wording which would make what is now being done, and done, I think, with common sense, within the law.

I would imagine that some of these cases, particularly in the west and no doubt in New Brunswick, are in this position. You hardly know there is an international line. People are going back and forth constantly doing their business. In the community where you have an official present, that is one thing; but where you have, as the hon. member for Eglinton described it, wide open country where you may be many miles from an official of any kind, there you have a situation which is more difficult. The point is, do we want to leave a statute in such a condition that it just cannot be carried out? I suggest that is what we have now. I submit this ought to be changed.

Mr. Stuart (Charlotte): May I ask a question? Does the hon. member suggest that at these isolated places he has mentioned we should put the same regulations in effect in connection with immigration; that any person can come over the border, regardless of who he may be, and report to the immigration official under conditions such as have been outlined?

Mr. Macdonnell: Immigration is an entirely different thing.

Mr. Stuart (Charlotte): Excuse me. At these isolated points the immigration officer and the customs officer are one and the same man.

Mr. Macdonnell: That to me is quite irrelevant. When an immigrant comes in it is an entirely different thing. It is an event of importance to him, a turning point in his life, you might say, and it is quite important to us. There must not be any too great easement there. As a matter of fact, if he is to be put to any inconvenience I would say to him, "All right; you are getting a great privilege for it". But here you have a situation where a man, in the ordinary course of his business, may be going back and forth every day. Incidentally, I should like to point out that the one notable change in the legislation, as far as wording is concerned, is that it applies to people coming on foot.

Mr. McCann: It always did.

Mr. Macdonnell: It did not say so previously. Foot passengers have been mentioned. That is not vital either. All I am suggesting is, as has already been pointed out by the hon. member for Eglinton, that you could make a simple change here which would get away from what I am quite sure is a fact now, that many people are unintentionally, if you like, breaking the law. I say we should leave it like that.

Mr. McCullough (Moose Mountain): I am quite interested in this bill because I come from a western constituency which, of course, borders on North Dakota. In the past we have had very friendly relations with that state. Not only do tourists cross back and forth, but also many farmers cross that wide stretch of the international border. I join with the hon. member for Niagara Falls, the hon. member for Eglinton and others who have shown concern for what may happen under this legislation with respect to people who previously were not obliged to report to customs. Last evening the minister stated the purpose of the bill pretty well. At page 4257 of *Hansard* he is reported as having said:

> The only difference under this amendment is that, whereas only a person crossing the border with

dutiable goods had to report, now all persons who cross the border have to report to the nearest customs official.

Today he has told us that perhaps the officials would be quite satisfied if people crossing the border reported when it was practicable to do so. If the customs office was closed, then they could report when it was fairly convenient.

The hon. member for Charlotte said he was quite sure the customs officials would use discretion in dealing with people crossing the border and perhaps not reporting at that time. I am sure that people crossing the border, and all of us, want the act to spell out exactly what the conditions are and what the responsibilities are. I am concerned. Unless the minister can assure us that in the past there have been breaches of the act which his department has not been successful in coping with, conditions which he expects to rectify by this new legislation which will make it mandatory for people to report, the change should not be made.

I feel sure that many people, particularly farming people, who cross the border do so for no other purpose than to carry on their farming operations. They will be inconvenienced. I also believe it will cause inconvenience to many people who go across on short trips. I know in the west there are people who do not bring in dutiable goods. If it is necessary to amend the Customs Act to give the minister additional power, then he should say so. If it is going to make no difference to the people going back and forth, as he has stated, then this is an amendment which we should look at with a great deal of displeasure. Unless there have been abuses we should leave things as they are.

Mr. Stuart (Charlotte): I just wish to say one more word. I find that paragraph (a) of clause 1 reads:

. . . come to the custom-house nearest to the point at which he arrived in Canada,—

This is the dutiable part:

(b) before unloading or in any manner disposing thereof—

And so on.

Surely no one in this chamber will suggest that anyone should be allowed to come into Canada from another country and unload goods or commodities before he reports at the customs office. If you read paragraph (b) carefully you will see that there is nothing very harmful in this provision in connection with anyone coming into Canada from another country who brings nothing with him. This is to prohibit the unloading of goods that may be brought in from another country before reporting to the customs office.

[Mr. McCullough (Moose Mountain).]

It is spelled out as plainly as can be. It states that every person in charge of a vehicle arriving in Canada must come to the customs house nearest to the point at which he arrived in Canada or to the station of the officer nearest to such point before unloading or in any manner disposing of such goods as he may be bringing in. Surely no one is going to suggest that the customs department should allow a person to come in from a foreign country and bring in and unload commodities before going to the customs office. If he does not bring anything in he has nothing to worry about.

Mr. Hamilton (York West): Mr. Chairman, I intend to restrict my remarks to the matter of the additional language which has been suggested. I am quite sure that the inclusion of such language as "as soon as practicable" or "as soon as convenient" would mean that this section could not be interpreted properly. If we consider the records of the tested court cases we will find that the supreme court of Ontario ruled seven or eight years ago that the word "reasonable" or other words of that type are almost impossible to interpret. I do believe we should be most careful about adding language of that kind to the statute.

Mr. Macdonnell: I observe that the words "on foot" were in the previous section, and for the life of me I find great difficulty in seeing what is being changed.

Clause agreed to.

On clause 2—*Valuation for duty.*

Mr. Coldwell: Mr. Chairman, I have not had an opportunity to look up the latest agreement between the contracting parties on tariffs and trade, but it seems to me that in this clause there is a violation of the Geneva agreement. This reads:

Wherever duty ad valorem is imposed on goods imported into Canada, the value for duty shall be determined in accordance with the provisions of this section.

Then it spells out the various methods of appraising articles for duty purposes. Then subsection 6 reads:

When the value for duty cannot be determined under the preceding subsections for the reason that
(a) like or similar goods are not sold for use or consumption in the country of export, or
(b) there is no established market in the country of export for like or similar goods,
the value for duty of the goods shall be such value as the minister determines.

My understanding of the Geneva agreement on tariffs and trade is that we agreed that no valuation would be made on an arbitrary or fictitious basis. If that is so, then it seems to me this provision proposed by the minister conflicts directly with

that agreement to which we, in common with the other contracting parties who are signatories, agreed. My contention is that this provision should be rejected by the committee or withdrawn by the minister because it gives the minister the right to establish a fictitious value, an arbitrary value, which is not permitted under the general agreement on tariffs and trade.

It seems to me that those of us who are interested in a tariff policy which does not allow arbitrary valuations which may lead a country into the establishment of prohibitive tariffs on certain types of goods entering the country cannot accept this provision. With its avowed philosophy of freer trade, fairer trade and lower tariffs I believe that if the government look at this provision they will agree that it should not be in the bill. It is quite incompatible with what the government profess in regard to tariffs and so on.

There are countries where goods are produced for export which are not used in the country of manufacture. We can think of a country where the climate is not sufficiently severe to encourage people to wear mitts or gloves, but those articles may be manufactured in that country for export to Canada. Under this provision the fair market value in the country of origin would not be the determining factor, nor would the value of like goods if you could find goods there of that description. The minister is to have the arbitrary power to fix the value for duty purposes without regard to the internal or domestic prices of the country of origin.

I suggest to the minister that he should not press this clause this afternoon, but that he take another good look at it and also at the general agreement on tariffs and trade. I have not had an opportunity to look up the particular clause to which I have referred, but I think my memory is correct that the Geneva agreement absolutely prohibits a contracting country establishing arbitrary values on goods that may be imported into such country. I ask the minister to take another look at this clause before he presses for its passage.

Mr. McCann: Mr. Chairman, I am informed by my officers that this is absolutely in accordance with GATT. That opinion has been given not only by our own legal officers but by the legal officers of the Department of Justice who prepared this bill. I am glad the hon. member has brought up this question, but I assure him that there is nothing in the section that is incompatible with GATT.

The section the hon. member has quoted applies to the very odd cases. For instance, shoe machinery is imported into this country. The large firms in the United States who make shoe repairing machinery do not sell it. You could not buy it for love nor money; you must lease it. It is the same with International business machines, which must be leased.

It is for cases of that type that this subsection is designed. An appraisal cannot be made because of the peculiar marketing methods in the country of export, or where goods are not sold with a transfer of property rights but are only leased with the right to use on a royalty basis, or where the goods are manufactured exclusively for export trade. If we keep in mind what we are trying to remedy, we are putting into law the valuation for duty purposes. If goods are shipped into this country and the importer does not have a legal right to them but has a lease, somebody has to make an appraisal on which the duty will be based for that concession, as it might be called, of sending the goods into this country on a lease basis.

An hon. Member: Would the minister say whether a tariff is charged against machinery that is brought into the country on lease?

Mr. McCann: Yes, there is a tariff even on machinery that comes in on lease, the same as if it were bought. It is the valuation that matters.

Mr. Drew: In connection with the point that has just been made, does the minister mean, for the sake of argument, that if a contracting company in the United States is moving machinery here to perform a contract in this country, a tariff is paid on that machinery in that case?

Mr. McCann: Yes, a tariff is paid on that.

Mr. Macdonnell: How is it arrived at?

Mr. McCann: On the value of the machinery. If it is used machinery, it is an appraised value. If it is new machinery, the tariff is paid for new machinery.

An hon. Member: What happens when that machinery returns to the United States?

Mr. McCann: Once it is used in Canada the duty belongs to the crown. There is no remission.

Mr. Lennard: I do not see how you could do otherwise. If you did not do that, every machine brought into this country would be bought on a lease basis.

Mr. Leboe: Is it not true that there is a provision whereby they may pay so much every month or every two months on used machinery coming in?

Mr. McCann: That application is where machinery would be brought into this country

on an emergency basis. As an example, a few years ago certain machines were brought here to harvest grain in the west during the winter season. A special arrangement was made for these people, who came from Dakota, to bring up their machines, and a special rate or a remission was made to them because it was an emergency condition.

Mr. Macdonnell: Might I ask the minister a question with regard to clause 2? I suppose it is fair to say that this clause is being passed because it is not felt that the legislation of December, 1953, completely did the job, and we now have what may be called remedial or reinforcing legislation.

I should like to ask the minister one or two general questions. First of all, can he give us some figures as to dumping, showing just what is the extent of the evil with which it is sought to deal? Then I should like to ask him if he will go through this section. Several different situations are dealt with in subsections 2, 3, 4, and 5, and I should like to have the minister go through it point by point and explain to us just what is being done to render the law more effective. First of all I should like to have any figures that can be given as to the extent of the evil.

Mr. Harris: Before the minister answers, Mr. Chairman, may I be permitted to move an amendment to the opening words of clause 2. There has been a misprint, and this is only to correct it. I move:

That subsection (1) of section 2 of Bill 410 be corrected to read: "Subsection (6) of section 35 of the said Act is renumbered as subsection (12)".

The purpose is to change the number of the subsection from 11 to 12.

Amendment agreed to.

Mr. Hamilton (York West): Before the minister replies to the hon. member for Greenwood, I wonder whether in his reply he would also consider the words in subsection 2, "under comparable conditions of sale", and advise the house if any thought has been given under that wording to some type of equalization of value on the basis of comparable labour costs in the country of origin and in Canada. That might be both from the standpoint of manufacturing costs and in connection with conditions of sale, from the standpoint of retail sales costs in Canada.

It seems to me that the true benefit of these sections is being entirely lost owing to the great difference in costs of production of the articles which are being assessed. Notwithstanding the fact that we may go down through the subsections and be able to determine the cost in the country of origin and on this basis work out the tariff provisions, we are far from determining costs under comparable conditions of sale.

I would be very pleased if the minister would give us his feeling in connection with that question. In addition, of course, under subsection 6, which also was referred to previously, I believe, the minister has wide discretionary powers. I should like to know if at any time in administering those powers he has taken into consideration differences in production costs as between the country of origin and Canada.

The observation I have made might also be applicable to subsection 7, which is a catch-all at the end of all the other subsections in which it says "plus a reasonable addition for administration costs, selling costs and profit", and the minister might say whether in connection with that subsection any consideration was given to the point I have raised.

Mr. McCann: Mr. Chairman, I should like to answer a question of the hon. member for Greenwood with reference to dumping duty collected in the following calendar years. In 1950 it was $1,735,543; in 1951, in round figures, $1,547,000; in 1952, $1,373,000; in 1953, $1,102,000; and in 1954—this is preliminary, as the accurate figures are not available—$1,114,000.

It might perhaps serve the purpose if I deal with these different sections and give the explanation for them. Subsection 2 is the section which states the primary rule for establishing value for duty, and in no way changes the present provisions which provide for valuation for duty purposes of imported goods at home market prices in the country of export.

Subsection 3 is new. It is intended to provide a basis for value for certain classes of importations not covered by the general provisions of subsection 2. It also seeks to remove from the present law a very serious difficulty arising in such instances from the almost unworkable rule of determining the "nearest ascertainable equivalent" to what is in effect a non-existing home market value.

This kind of problem arises where a sale is made to Canadian importers under special conditions for which there is no comparable marketing situation in the country of export. Most typical of these cases would be where the special conditions of sale result from the Canadian importer dealing with a related foreign company in a trade relationship which does not exist between the exporter and any other parties in the country of export. That is a new condition of business that has arisen in this country within the past few years.

We come now to subsection 4. It merely carries forward a portion of the present subsection 1. It is applied where value cannot be established under the previous subsections and permits the appraisal of goods in such instances to be based on the home market value, at which goods similar to those imported are sold for home consumption to various classes of trade in the country of export comparable to the trade status of the importer in Canada and in quantities comparable to those imported.

We come now to subsection 5, which is a new provision. It provides for cases where the importation, not having been capable of valuation under the preceding sections, requires more specific provisions. This subsection covers cases where the goods exported to Canada are not identical with but are similar to goods sold in the country of export, and which are sold to Canada under special conditions which have no comparable counterpart in the home market structure. This subsection, as in subsection 3, provides for valuation at the home market value at which the similar goods are sold to the trade in the country of export.

Subsection 6 is also new, and is the one about which I believe the hon. member for Rosetown-Biggar was inquiring. It again is applied only when the previous sections offer no basis for valuation. The kind of case for which this subsection is designed is where appraisal cannot be made because of peculiar marketing methods in the country of export such as, for instance, where goods are not sold with transfer of property rights but only leased. Shoe machinery and International business machines are instances of that.

Subsection 7 in essence brings forward the present subsection 3, which provides for cases where appraisal cannot be made under any of the valuation provisions based on home fair market values. It is somewhat similar to the preceding section and is invoked when the former does not apply; for instance, where semi-processed goods are imported for further processing in Canada—that relates to a great many parts for cars—but are never sold in that condition in the country of export. In the country of origin they are finished, but they are shipped to Canada perhaps as castings and then they are burnished here and further fitted. One has to make an appraisal for duty purposes of those.

Subsection 8 is a repetition of a provision now in the present section 1. There is no change in substance. The principle of value for duty in no case to be less than the selling price to the importer in Canada is continued. In common practice the value is never less than the selling price.

Subsection 9 makes it clear that internal taxes to be disregarded for valuation for duty shall be taxes imposed directly upon the goods in the country of export, and not assessments upon producers, or upon wages for social security of various kinds, income taxes, etc. This condition obtains with reference to goods manufactured in and exported from France. These duties are added to the value. The general provision for the disregarding of such taxes is at the present time contained in subsection 4, which has not been found to be sufficiently specific.

Subsection 10 is the same as the old subsection 5. As to subsection 11, this amendment will authorize a segregation of the value of goods from the value of services where the price of the imported article combines both charges. There are numerous examples, one being, for instance, the importation of unassembled educational kits, the cost of which includes the value of a course. Of course you could not put a value on the course, but when there is an educational kit accompanying it that is appraised and the duty is applied to it. Another example would be a person who might go from Fort Erie to Buffalo to consult a doctor. The doctor will charge a fee and probably will prescribe medicine or treatment of some kind. You do not pay duty on the doctor's knowledge. You pay it on the article brought into the country, whether it be medicine or an appliance. The same thing obtains with reference to architectural and engineering plans. They are often brought into the country. We do not assess duty on the value of the knowledge, experience and scientific equipment that went into their preparation. We put a value on the plans themselves for duty purposes.

I think that explains pretty well all the subsections of the new section 35. I do not know that there is anything more I can add, but I shall attempt to answer any further questions that may be asked with reference to it.

Mr. Coldwell: The minister seems perfectly satisfied that his officials and the law officers believe there is no conflict between the subsection to which I referred and the Geneva agreement on tariffs and trade. If his officials are satisfied with it, of course I am not well enough informed to dispute their opinion. However, it seems to me this does permit the minister to make an arbitrary or, perchance, a fictitious valuation, though I am not accusing the minister of wanting to do the latter, and that would be in direct conflict with the

agreement we have signed. However, the minister seems satisfied I am wrong, and I shall let the matter rest meantime.

Mr. McCann: We have made the most careful inquiry into that point. The law officials of the department have considered it, the Department of Justice has given an opinion upon it, and the expert who drew up the legislation considered it, and we are assured that there is no conflict whatever with GATT in this regard.

Mr. Macdonnell: As I understand the minister, looking at subsections 2, 3, 4, 5 and 6 of clause 2 of the bill we have first of all subsections 2 and 3 dealing with like goods, and then subsections 4 and 5 dealing with similar goods. I am going to ask the minister to explain those two phrases. Then in the case of each of these two pairs we have one subsection which deals with situations where there are comparable conditions of sale, and another dealing with situations where there are not comparable conditions. We have four alternatives. Would the minister specify a little further as to the difference between "like" and "similar"?

Mr. McCann: When I was going over the legislation I inquired into that matter myself. I am told that "like" means identical and that "similar" means similar to but not identical. If one thinks that over one can see that there is a difference. Under comparable conditions of sale the duty shall be the fair market value. What are the conditions under which the goods are sold in another country as compared to the conditions under which they would be sold in this country? There may be some difference there.

My own interrogation and questioning on this matter brought out the point that there are firms in the United States having a business in Canada that takes the whole output of a factory. They do not sell to anybody else. What are you going to compare it with unless you compare it on the basis of the value we put on it when it comes into Canada? If you were doing it according to the general formula you would be comparing the sales of that factory with the sales to other customers in the same country. There are no such conditions. They are set up there and are supplying their customers in the United States as well as their affiliate customers in Canada. You do not have comparable conditions.

Mr. Hamilton (York West): I wonder if the minister would refer back to the questions I asked concerning the powers he has and the interpretation under some of these sections. I asked whether at any time any thought had been given to using the comparable conditions clause and the discretionary powers as well set out in subsection 6 to have a realistic valuation placed on the goods being imported. I use that term because it is directly contrary to the term used by the hon. member for Rosetown-Biggar, who suggested it was a fictitious value that would be set under subsection 6. I would be inclined to think the minister might use his discretionary power to set a realistic value instead of a fictitious value.

I am especially concerned, if I heard the minister correctly, about subsection 9, because under that subsection such things as some type of social welfare legislation tax in France, say, would not be included in the value of the goods for duty purposes. Surely here in Canada a manufacturer is faced with the fact that the cost of the article he is producing includes every type of tax, and would include any type of social welfare contribution which is made.

Mr. McCann: They would be included.

Mr. Hamilton (York West): The type of tax which would correspond to some type of contribution made by a manufacturer here would be included?

Mr. McCann: Yes, that is included in the value for duty.

Mr. Hamilton (York West): That is included. The other question I have to raise is, has the minister at any time exercised any discretion in attempting to equalize the cost of production in countries where similar conditions do not exist, such as we have here when establishing the value for duty purposes?

Mr. McCann: No, we have no such discretionary right in that instance.

Mr. Hamilton (York West): Would the exercise of such discretion contravene the Geneva agreement to which the hon. member for Rosetown-Biggar referred?

Mr. McCann: Yes, it would contravene GATT.

Mr. Hamilton (York West): Do we have any escape clause of any kind in the Geneva agreement which might enable the minister to use his discretion in that way?

Mr. McCann: Yes, there is an escape clause if there is injury or prejudice to a Canadian manufacturing firm by reason of that condition.

Mr. Hamilton (York West): Has the minister at any time to date exercised his discretion as a result of the injury clause contained in that agreement entered into at Geneva?

Mr. McCann: The answer, Mr. Chairman, is no.

Mr. McCullough (Moose Mountain): A year ago we passed Bill No. 29, which gave wide discretionary powers to the minister in respect to placing a valuation for duty upon goods coming into this country. I feel that western farmers are quite interested in our whole tariff structure. I may say that I agree with the hon. member for Rosetown-Biggar. I do not want to argue about whether or not these wide powers given the minister will make it possible to contravene the general agreement on tariffs and trade. I just want to say that it seems to me he is given very wide powers under this bill that enable him to establish an arbitrary price structure and make appraisals for duty.

I should like to draw to the committee's attention paragraph (b) of subsection 6, where it says:

. . . the value for duty of the goods shall be such value as the minister determines.

In following through the various sections of the bill that give the minister power to price goods coming into the country, it seems to me that the first six sections of the bill give the minister such wide powers that he can price these goods in any manner he sees fit. If he has not had such powers given to him in the first six sections, then he has them in sections 7 and 8. Subsection 2 of section 35 says that the value for duty shall be the fair market value. Does the fair market value mean the fair market value established in Canada in the retail trade, or does it refer to the fair market value in the country of origin?

Mr. McCann: Read the next line and you will get it.

Mr. McCullough (Moose Mountain): I am going to do so.

. . . at the time when and the place from which the goods were shipped to Canada, of like goods when sold in like quantities for home consumption in the ordinary course of trade under fully competitive conditions and under comparable conditions of sale.

Now, Mr. Chairman, I do not believe there are ever comparable conditions of sale when the goods are sold for home consumption. For example, when we were discussing Bill No. 29 last year we were told that volume production in the United States made it possible for them to produce goods with which Canadian textile firms could not compete. Of course those goods would not be allowed to enter Canada at the same prices at which they could be readily sold in the United States. The conditions prevailing in the United States are the result of competition, but when the goods enter Canada, perhaps because we cannot produce in the same volume, those conditions do not exist. Then apparently the minister has a discretion to determine whether or not the conditions prevailing in Canada are fully competitive with those existing in the United States.

Then there is the provision concerning comparable conditions of sale. In view of this, I agree with the hon. member for Rosetown-Biggar when he says the minister is given wide discretionary powers. Surely under the discretionary powers given the minister he could set what might be termed fictitious prices instead of, as one hon. member said, realistic prices. After all, these goods coming into Canada are being imported by importers who feel they are going to make money. We as western members, particularly interested in agriculture, feel it could well be that once again there will be a protective tariff wall put up against imports, and unless we can have a comparable situation for our primary producers it just means that we are up against a tariff wall which will raise the cost of production.

I think that is one factor that has caused the high-price economy under which we are trying to exist. If the wide powers which have been granted the minister under Bill No. 29 and under this bill are going to be used simply to keep out goods, then that is not going to serve the best interests of our economy.

Mr. McCann: If the hon. member would just read carefully what it says he would see that when the duty is imposed the value for duty shall be in accordance with the provisions of this section. You take subsection 2, and if you can make an appraisal under that subsection, well and good; you must do it. But if you cannot do it under 2, then you come to 3; there is no use reading it over again. If you cannot do it under 3 then you come to 4; and if you cannot do it under 4 you come to 5. And then you come to 6—

When the value for duty cannot be determined under the preceding subsections—

Then it gives the reasons why this cannot be done—

(a) like or similar goods are not sold for use or consumption in the country of export, or

(b) there is no established market in the country of export for like or similar goods,—

Then the value for duty shall be such as the minister determines. I do not agree with the hon. member that there is anything very arbitrary about this. After all, somebody has

to take the responsibility. All these different selections are made under the first five subsections, and if it is not possible to determine the value for duty under them, then it says the goods shall be of value such as the minister determines.

I cannot see how anything could be fairer than that, or more logical. You go to the different subsections—2, 3, 4 and 5—and if you cannot bring it under them, then somebody has to declare the value for duty purposes, and it is left to the minister.

Mr. McCullough (Moose Mountain): How do you determine the value of Japanese textiles coming into Canada?

Mr. McCann: On information we get from our appraisers and investigators in the United States as to their value there, and the appraisal that is made by experienced people in the department, many of whom are experts in the textile business.

Mr. Hees: What procedure does the department use to determine the fair market value of end of line goods in the United States, such as we were talking about in 1953? What is the mechanism used to set a fair market value on those goods?

Mr. McCann: I remember that was discussed at great length, the question of end of line or end of season goods. The hon. member has referred to textiles, but it refers to other articles such as electrical goods and refrigerators. We have sent in our representatives and they have been very favourably received by the manufacturers, who give us all the information we want. We look back over a six-month period. We look at the prices at which they have been invoiced, and if they are invoiced lower, then they are brought up to a comparable price for duty purposes. The price is made comparable with that at which the goods sold formerly.

I believe this has worked satisfactorily. I made the statement that there are many invoices I could bring before the committee, if required. I have gone over them carefully. I may find that hundreds or thousands of yards have been sold, and I find how it averaged out over a six-month period. If the price is not pretty much the same, we bring it up for duty purposes.

Mr. Coldwell: Mr. Chairman, I have before me the final act of the second session of the preparatory committee of the United Nations conference on trade and employment, and I find this in article VII:

2. (a) The value for customs purposes of imported merchandise should be based on the actual value of the imported merchandise on which duty is assessed, or of like merchandise, and should not be based on the value of merchandise of national origin or on arbitrary or fictitious values.

That is what I had in mind when I rose a little while ago. For the life of me I cannot see how we can get around that article. In this bill we are giving the minister power under certain conditions to determine the value of goods for duty purposes. I am sure the minister has expressed the view of his legal advisers. I am not a lawyer; but unless there is an interpretation which lawyers can place on this provision other than the one I would place upon it, because the words are in plain English, it seems to me they prohibit exactly what the minister is trying to do in this bill. For the life of me, in my own mind I cannot get around that fact. If we pass this measure are we not permitting the minister to establish arbitrarily a fictitious value? I am using that word because it appears in the article. How do we get around this?

Mr. McCann: I could not agree more with what the hon. member has said. It was only two or three minutes before he entered the chamber that I gave what I thought was a satisfactory explanation of the provisions in the bill. I said that we must take 2, 3, 4 and 5 seriatim, in that order, and if the goods cannot be classified in that way, then you come to subsection 6 which says:

When the value for duty cannot be determined under the preceding subsections for the reason that

(a) like or similar goods are not sold for use or consumption in the country of export, or

(b) there is no established market in the country of export for like or similar goods,—

The value for duty shall be such value as the minister determines. As I said before, somebody has to take that authority, and in this measure we are seeking it. The matter my hon. friend has reference to and which he thought might be in contravention of GATT deals only with that class of goods which is not sold but is leased. The point is as to the value of the lease for duty purposes. For instance, it refers to International business machines, to shoe machinery, and all the rest of it. I do not think I can explain it further.

I know it is hard to comprehend the whole thing. It took me a long time to acquire any knowledge in the matter, or at least sufficient to attempt to make a reasonable explanation. However, I am convinced, after looking into the matter, that this is good legislation and that it is the type we need for the purpose for which we seek it.

Mr. Hees: Have complaints about end of run goods coming into Canada greatly diminished since Bill No. 29 was passed, or has there been much change?

Mr. McCann: I would think the general opinion is that they have diminished. There is one thing we forget, and that is that there is a free entry of United States goods up to a value of $100 three times a year. I shall try to be fair about it in stating that, not only as a result of Bill No. 29, there has been a great deterrent effect upon importers of certain lines of goods into this country, because they did not know just what the value would be and what their bill would be for duty purposes.

Mr. Macdonnell: I wish to refer to subsection 7. We have referred to 2, 3, 4, and 5 dealing with various differing conditions. Then we come to subsection 6 which says that when the value for duty cannot be determined under the preceding subsections, for the reason that like or similar goods are not sold for use or consumption in the country of export, then the minister may determine the value.

Then we come to subsection 7, and I wish to be sure that this subsection is accurately worded. It says:

> Where the value for duty cannot be determined under the preceding subsections, the value for duty shall be the actual cost of production—

And so on. At first I thought that should be worded, "When the value for duty cannot be determined under the preceding subsections 2, 3, 4 and 5", because under 6 you have the means of determining for duty. What I want to know is this. Is the answer there that 6 deals only with a limited class of goods, so that subsection 7 is correctly worded as it is? Is that the answer to my question?

Mr. McCann: Yes.

Mr. Diefenbaker: I find that article VII, section 2 (a) of GATT reads as follows:

> The value for customs purposes of imported merchandise should be based on the actual value of the imported merchandise on which duty is assessed, or of like merchandise, and should not be based on the value of merchandise of national origin or on arbitrary or fictitious values.

Certainly, this clause provides for arbitrary and fictitious values. If this section of GATT prohibits it, then it would be an evasion; but is not the escape clause the use of the word "should"? It says "should not be based." It does not say "shall not be based." Is that not the explanation of why you can in effect make this change, which on the face of it appears to be arbitrary? Is that not the reason? Certainly if it is not the reason then it is obvious that what is being asked to be passed by parliament today is indeed a contravention of GATT. An ordinary reading of the section indicates that it contains no escape clause whatsoever. I thought I was helping the minister, but of course he says I am not helping him at all. If that is not the reason, then it is obvious that what we are doing here is passing an amendment to the customs laws which we have criticized the United States for doing over and over again. We have suggested that is one of the reasons GATT has in such measure been defeated in its original purposes.

Mr. McCann: We are entirely in agreement with the principle that we should not apply arbitrary measures; but I ask the hon. member for Prince Albert, where else can we go for advice except to good lawyers in our own department, and in the Department of Justice? If the hon. member for Prince Albert and those lawyers could get together they could argue over it for a week. I am taking the opinion they gave me, that there is nothing here that is a contravention of GATT, and on that premise we went ahead.

Mr. Diefenbaker: That is what we criticized the United States for doing.

Mr. Macdonnell: Surely the point raised by the hon. member for Rosetown-Biggar and the hon. member for Prince Albert is one which cannot be lightly dealt with. Is there a written opinion? Those of us who are not expert lawyers are competent to read plain statements in English. This is so important that it should not be allowed to go without some satisfactory answer.

Mr. McCann: Well, I do not know whether there was a written opinion. I was present when the bill was discussed before the legislative committee of the cabinet. The man who drew the bill was there, and in my own hearing this was the opinion he gave. It stuck in my mind just as well as if it had been written. It applies only to a very limited type of goods, as I said. We do not want to be arbitrary about it, but I do not see any other way of doing it.

Mr. Diefenbaker: Mr. Chairman, I am glad to know that the minister remembers a thing just as well as if it were written, and that it sticks in his mind. I simply ask whether this has been brought to the attention of the law officers, and whether they say there is no contravention.

Mr. McCann: Yes.

Mr. Coldwell: May I say this to the minister. Apparently when he answered me he said this applied only to a limited group of articles.

Mr. McCann: That is right.

Mr. Coldwell: Article VII of GATT reads as follows:

The contracting parties recognize the validity of the general principles of valuation set forth in the following paragraphs of this article, and they undertake to give effect to such principles, in respect of all products subject to duties or other charges or restrictions on importation and exportation based upon or regulated in any manner by value, at the earliest practicable date. Moreover, they shall, upon a request by another contracting party, review the operation of any of their laws or regulations relating to value for customs purposes in the light of these principles. The contracting parties may request from contracting parties reports on steps taken by them in pursuance of the provisions of this article.

The article goes on:

2. (a) The value for customs purposes of imported merchandise should be based on the actual value of the imported merchandise—

There is no limitation anywhere there. As I take it from the preamble, that applies to all merchandise and not merely to leased merchandise. I continue:

—on which duty is assessed, or of like merchandise, and should not be based on the value of merchandise of national origin or on arbitrary or fictitious values.

I cannot see where there is anything in that which limits this to leased articles such as shoe repair machines and so on. I am sorry, but I just cannot see it. I know the minister must be guided by his advisers and his officials, and I am just a layman without training in the law and understand only the English language. Consequently I suppose I have to accept what the minister says, though I do suggest that he should take another look at it. That is all I suggested in the first instance.

Mr. McCann: I have nothing further to say, Mr. Chairman, except that the government will take the responsibility that we are acting correctly.

Mr. Hees: I should like to ask the hon. member for Rosetown-Biggar a question. If you cannot determine the fair market value under the act as it exists, what other method than the one suggested would you use to determine the fair market value? I am asking the question. That is the practical problem that customs is up against. What would you do?

Mr. Diefenbaker: You would not sign GATT to begin with, if you wanted to meet the situation.

The Deputy Chairman: Is clause 2 as amended carried?

Mr. Macdonnell: No. It is no answer, with all due respect to my colleague, to ask what would you do. This is what we would like to do, undoubtedly. If we get into difficulties and paragraphs 2, 3, 4 and 5 prove unavailing, certainly paragraph 6 is what we want. But on the other hand the question arises whether we have put it out of our power. I hope it is not so, but I think we have to be satisfied on it, and the mere recital by the minister here that someone in the Department of Justice said it was not so does not seem to me to be adequate.

I feel that this matter is of great importance, because we are devoutly hoping that the United States is going to behave better in respect to GATT than it has in the past. I do not think we want to be in a position where they can point a finger at us. We want to be in the opposite position. I am still hoping that the minister is right; of course I am. I am hoping that he will be able to get a reasoned answer which will satisfy everybody. I do not think it is adequate just to be told that the Department of Justice has said it is so. Even great lawyers sometimes find that if they could get all the facts they would give a different opinion from that which they had given.

Clause agreed to.

Clauses 3 to 9 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. McCann moved the third reading of the bill.

Mr. B. R. Leboe (Cariboo): Mr. Speaker, it looks to me as though the government is moving into a transfer of responsibility as it will now be in a position to close a port of entry and place the onus on an individual coming back across the border to find a port that is open. I submit it is the responsibility of the government to provide these services and not put the onus on an individual to find a port that is open.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Coldwell: On division.

Motion agreed to on division and bill read the third time and passed.

SUPPLY

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee of supply.

GOVERNMENT SERVICES—SUGGESTED NEED FOR ECONOMIES

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I propose to avail myself of the privilege that this motion

affords to place before the house a positive motion for the consideration of hon. members. There are occasions when members on the government side are inclined to ask in a rather complaining way why the opposition does not put forward positive and constructive proposals. I submit that the record will show that many positive and constructive proposals have been made.

Nevertheless it is the function of the opposition acting as it does in the capacity of auditor, in so far as that is permitted, to examine the business that is done and to criticize where criticism seems appropriate. A motion of this kind provides the mechanism for seeking the favourable consideration of something which seems to be to the advantage of the house as representatives of the people of Canada. What I propose to place before the house now I suggest is something calling for the earnest consideration of every member of this house and of everyone in Canada at this time.

Profound changes have taken place in the life of our people and in the Canadian economy within the past few years. We have seen industrial enterprises expand beyond recognition and individual activities extend to a much wider field. However, in no single activity within our country has there been a wider and more rapid expansion than in the field of government itself. Much of that was imposed by the dreadful demands of war; much of it was imposed by the necessity for improvising when sudden new requirements called for the setting up of organizations or agencies which had not previously existed. However, there is this great difference.

I do not believe that there is a single business of any size in this country which has expanded greatly within recent years which has not deemed it advisable to examine thoroughly its expanded structure and to seek outside independent advice as to how that greatly expanded structure can be guaranteed and brought into an efficient integrated entity to the best advantage of all those working with it and of all those who depend upon its success. Any business enterprises which have not done that already are doing it now and there is a very important reason therefor.

The post-war sellers' market is gone and new competitive conditions are arising everywhere throughout the world. Within our domestic markets as well as in foreign markets we are feeling the direct impact of the highly competitive atmosphere in which business is now being conducted. The adjustment required to meet those conditions is something that is going to spell success or failure, advancement or disaster within those years immediately ahead.

We are telling ourselves constantly that the nation's business is the largest business of all, and I submit that the time is long overdue for Canadians generally and for the representatives of all Canadians in particular who sit here in this house to examine the position and to take those steps that are appropriate to bring the largest business in Canada into a position of efficiency as every businessman would do if he were confronted with the same circumstances.

I am not suggesting for one moment that at this time, when we see so much evidence of the effects of this highly competitive world market upon our own export trade and upon our domestic business, the adjustments needed to meet this situation can be made by governments alone, but certainly if there is one place where an example can be given and where the action taken can be of advantage to everyone meeting a situation of this kind, it is in the case of the government itself. If the organization of government and all its agencies were to be examined in the same objective manner as any successful business has already been examined, then there would be, not only an enormous saving of public funds, but an encouragement to people generally to prepare themselves in the most effective way for the very competitive period through which we are going to pass. The action of the government in this respect could be decisive in determining the attitude of our people. It is not only because of the competitive market that this should be done; it should also be examined because of the impact of inflation upon hundreds of thousands of our people.

Do not let anybody repeat again in this house that we have avoided inflation in Canada. We have had very heavy inflation. Our dollar today is worth considerably less than half of the pre-war dollar in purchasing power. Those who are able to work with their hands and to combine the efforts of their hands with the skill of their brains in the great competitive activities, those who are engaged in the professions, those who are in business, have been able to adjust their position and actually in many cases to take some advantage of inflation itself. Let us examine, however, what this has meant to hundreds of thousands of people dependent upon the small income from their life savings, to all those thousands who are dependent upon railway pensions, upon military pensions, upon pensions from insurance companies or endowment policies of various kinds. Think of what this means for everyone on a small income. Think of what it means in cases you actually know of people who worked hard, performed great service and looked forward to declining years, not

in comfort but with an adequate amount to give them that measure of happiness and security that they had a reason to expect when they looked at the number of dollars that would be coming in. There is no one in this house who does not know someone today, who does not know several people, who are finding it, not difficult, but impossible to make ends meet because of the effect of inflation.

In the midst of great plenty, in the midst of very evident prosperity, there is in fact great hardship in this country at this time. Now, the cruel results of inflation are something which we should consider, because there is no single influence which does as much to create inflation as excessive government expenditure. That is not only because excessive government expenditure adds to the tax burden of our people and in turn adds to the cost of the things everyone buys; it is also a fact that where there is excessive government expenditure the ordinary standards which establish the cost of many products and many services are upset by the loose methods of handling these affairs by government agencies. Unless there is the same test in regard to the value of services and the cost of things that are bought in the case of a government agency as would apply in the case of a private agency, then you are creating the most vigorous inflationary force which can operate in any country.

For that reason, the first and most effective place to tackle inflation—and in tackling inflation to increase our ability to meet the competitive period in which we now are—is within the realm of government itself, the nation's business. The lengthening shadow of government in this country now extends over 25 per cent of the expenditure of all moneys in Canada. A quarter of what is spent in this country is spent by all the governments, federal, provincial and municipal. Seventy-seven per cent of that is spent by the government of Canada. Therefore, the place where the most effective job can be done in creating greater efficiency and reducing the inflationary pressures at this time is right here within this House of Commons to which, I hope, the government of Canada is still answerable.

In tackling any problem of this kind the essential consideration is to obtain the facts. We have not the facts today. That is not because an effort has not been made to obtain them. The facts cannot be obtained. The facts are hidden behind the front of those doors which contain the records that are not open to the members of this house through any mechanism now available to us. Wherever any door has been opened—and I repeat this without any exception, wherever any door has been opened—it has been found that savings could be made by more efficient methods and by better bookkeeping and better organization. It is the duty of the members of this house to see that the facts are obtained. A thorough analysis of the administrative efficiency of government and of all the departments and agencies of government is long overdue. Careful and detailed analysis is required, because of the impact of all these activities upon all the business operations and the whole life of our people in this country.

Surely the figures that will impress this upon us most forcefully are the figures which indicate the tremendous increase in government expenditure within the short period of 15 years. For the year 1938-39, the last year before the war, the total amount spent by the government of Canada was $533,063,000. For the year 1954-55 the expenditure by this government was $4,255,387,000. This government is now spending eight times what the government was spending in the year before the war. No explanation related to increase in population, increase in national income, increase in productive capacity or any other explanation will give us the full story of those figures.

Eight times what the government spent in the last fiscal year before the war is now being spent. Yes, I realize that part of that figure is represented by money being turned over to the provincial governments, but that is only a fraction of this large figure. Surely any ordinary business seeing an expansion of eight times in its spending would say: Where can we do something about this? The government says: What would you suggest should be examined? Let us look at a few of the things that any ordinary business enterprise would examine very carefully. For instance, let us take the Department of National Defence, the Department of Defence Production, and civil defence, which can be bracketed together. Let us see what they spend.

I am not talking now about their expenditures for arms, for the men to perform the military duties, or expenditures to produce weapons and military requirements generally. Let us look at some of the figures that I know any business would examine if it were involved in spending such a huge amount of money. These figures only relate to those departments having to do with defence. May I ask hon. members to listen to them and remember that this is well within the time that a number of members now in the house have been sitting here.

First of all let us take travel and removal expenses. In the year before the war—and in every case where I use that expression it will refer to the fiscal year 1938-39—they amounted to $1,101,000. The amount in the estimates for this year is $46,084,300—$1,101,000 before the war and $46,084,000 fifteen years later.

Let us look next at the expenditures for telephones, telegrams and other communication services. There is not a businessman who does not know that in any business where anybody can grab a telephone and make long distance calls you can throw more money away within a short space of time than perhaps in any other single way. They have very careful ways of checking the propensity of the ordinary person to listen to a distant voice and to exchange ideas by telephone when it could be done just as well by a letter which would be carried there by airmail in 24 hours or 48 at the outside, with good service. Listen to these figures for telephones, telegrams and other communication services, and remember that they relate only to defence activities. In the last year before the war the amount was $57,000, not an insignificant figure. This year the estimate is $6,843,150. You know, you cannot help wondering whether something could not be done to encourage the use of letters with airmail delivery by way of substitution for some of these calls. In fact, every hon. member of the house knows perfectly well that unless there is an objective examination of figures of that kind by outside experts nobody here will begin to know the nature of the calls that have multiplied these expenditures so enormously.

Then, let us talk about publicity and the various things that go with it, again just for defence. In the year before the war the amount spent was $5,000. There must have been certain Scotch instincts operative at that time so far as publicity was concerned. The estimate for this year is $2,507,500. Then I come to office stationery, supplies, equipment and furnishings. In the year before the war the amount was $233,000. It will be recalled that there was a large reserve force at that time and also not comparable permanent forces but permanent forces with various headquarters staffs and so on. The amount then was $233,000 and the estimate for this year is $7,018,684. You can buy a lot of office furniture for $7,018,684.

Then we have another item not covered by publicity, namely, publication of departmental reports and other material. That is a nice euphonious name for some of the informative material that does not forget to give an apple to teacher at the same time. In the year before the war nothing was spent on that item, but the amount in the estimates for the current year is $2,311,650. I have brought the items relating to defence together so that we shall not have anyone saying: Oh well, defence has made us spend this money.

Let me deal with the non-defence departments, and I am not dealing here with any of those things that can be regarded as fixed or rigid expenditures. Let us get back to travel and removal expenses for the non-defence departments, in this case not people urgently called upon to carry out some very dramatic duty. In the year before the war travel and removal expenditures amounted to $3,504,000. The amount this year is $15,770,736. Is there no room for examination there, Mr. Speaker? Is there no room for that question we saw printed on signs in the railway stations of Great Britain during the war—Is your trip really necessary? I think there could be some examination of these expenditures.

Let us look at telephones, telegrams and other communication services. In the year before the war the amount was $689,000, quite a substantial figure. You can do a lot of telephoning and sending of telegrams for that amount of money even if you have airmail service which was not available in the same way at that time. But let us see what the amount is now, even though we have an airmail service that transports letters right across the country so quickly. Instead of $689,000 the amount for this year is $7,356,469.

Then there is publicity, and oh, how publicity-conscious this government is! In the last year before the war the amount was $1,794,000 for the non-defence departments, and this year the amount is $7,663,790. That of course does not include any of the host of people who have been attached to the various staffs to make sure that their own people are not forgotten.

Then we have the publication of departmental reports and other material. There again, strangely enough, before the war not a cent was spent on that, but this year $4,484,645 will be spent, quite a tidy sum to get out these reports on the habits of bees and birds, the mating activities of lobsters and things of that kind. I am not suggesting they all fall into that category but nevertheless we have seen some material which could only be described by a term that would be unparliamentary and which goes into the wastebaskets of most people who have any occupation for their time. It is certainly included in that figure of $4,484,645.

Mr. Benidickson: One hundred and one people in public relations in the Ontario Hydro.

Mr. Drew: I am so interested in the fact that the hon. member for Kenora-Rainy River (Mr. Benidickson) is aware of the Ontario Hydro Electric system—

Mr. Benidickson: Your baby.

Mr. Drew: —because if there was a single agency of the government here that compared in efficiency with the Ontario Hydro Electric Power Commission an examination of this kind would not be nearly as necessary.

Some hon. Members: Oh, oh.

Mr. Drew: As a matter of fact—

An hon. Member: Five o'clock.

Mr. Speaker: May I suggest that we deal with private and public bills.

PRIVATE BILLS

DOMINION OF CANADA GENERAL INSURANCE COMPANY

Mr. John Hunter (Parkdale) moved the second reading of Bill No. 380, respecting the Dominion of Canada General Insurance Company.

He said: The capital of the company since an earlier amending act in 1929, Mr. Speaker, has been $6·5 million, of which $5 million divided into 50,000 shares of $100 each is known as class A stock and has no voting rights. Approximately $1·5 million is divided into 15,000 ordinary shares of $100 each. No class A shares have ever been issued, and the total capital presently issued and outstanding consists of 10,103 ordinary shares having an aggregate par value of $1,010,300.

The company wishes to decrease its authorized capital to $2 million divided into 200,000 shares of $10 each. So far as the splitting of the shares is concerned, this could normally be done by a bylaw provided under the Canadian and British Insurance Companies Act, but it was deemed desirable to reduce the authorized capital in any event, and further this private bill is necessary because of a provision in the original act of 1887 under which shareholders were given one vote for every $100 subscribed. This would not be practicable when the par value of the shares is reduced from $100 to $10.

Many years ago, in 1897, the company issued 1,243 shares of preference stock but these were later surrendered by the preference shareholders in exchange for ordinary shares. Some technical objection of a legal nature could be taken to the method employed in surrendering the preference shares, and accordingly it was thought desirable to include in the proposed new bill a clause confirming the present amount of stock issued and outstanding.

One further point arises in connection with the clause permitting the company to write all kinds of insurance other than participating life insurance. The company enjoys these privileges at the present time but some of them were acquired under the provisions of the Canadian and British Insurance Companies Act and it was thought advisable to have the authority stem from the company under a private act.

I may say, for the benefit of hon. members, that the form of the petition and also the draft of the proposed bill have received the approval of Mr. MacGregor, superintendent of insurance.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

TRANS-BORDER PIPELINE COMPANY LTD.

Mr. John Decore (Vegreville) moved the second reading of Bill No. 408, to incorporate Trans-Border Pipeline Company Ltd.

Mr. Green: Could we have an explanation of this bill?

Mr. Decore: The purpose of this bill, Mr. Speaker, is to incorporate a pipeline company under the provisions of the Pipe Lines Act. As hon. members know, before any company can engage in the operation of a pipeline which crosses a provincial or international border, it must be incorporated by an act of parliament pursuant to the provisions of the Pipe Lines Act. Of course, the matter is subsequently referred to the board of transport commissioners.

This bill follows the usual pattern of pipeline bills which come before this house. Probably the important clause is clause 5, which I will read:

> The company shall have all the powers, privileges and immunities conferred by, and be subject to all the limitations, liabilities and provisions of the Pipe Lines Act, and any other general legislation relating to pipelines enacted by parliament with respect to the transportation of gas and oil and other liquid and gaseous hydrocarbons.

Now, the purpose of the incorporators, if this legislation is enacted, is to acquire through lease or purchase a pipeline which was constructed during wartime and was known as the Canol project. This pipeline is one in existence now between Skagway in Alaska and Whitehorse, Yukon Territory. As I say, this pipeline was constructed during wartime by the United States authorities with the con-

sent of the Canadian government to receive petroleum products which were brought in by tanker to Skagway. At that point these products were discharged into storage facilities and then transported by pipeline for the use of the army and air forces.

I am informed that the United States authorities are now constructing or have constructed a new 8-inch line from Haines, Alaska, to a point on the Alaska highway. The old pipeline was a 4-inch line. It is likely that this 4-inch pipeline between Skagway, Alaska, and Whitehorse in the Yukon Territory will no longer be required by the United States authorities and will, therefore, be available for lease or purchase. The proposed company is prepared to acquire this pipeline.

It may be of interest to note that Yukon Pipelines Limited, the bill incorporating which was recently before this house, apparently has the same idea in mind and seeks to acquire the same line. I feel that a little competition is always beneficial. Should this bill be given second reading, Mr. Speaker, I intend to have it referred to the proper standing committee where more detailed information will be given.

Mr. Howard C. Green (Vancouver-Quadra): There is one feature of this bill that I should like to bring out, and that is that while the purpose of the applicants is to compete with the White Pass and Yukon railway the bill which the officials of that railway got through this house contains a proviso which has not been written into the bill now before the house. When the Yukon Pipelines Limited bill came up for second reading it was sponsored by the hon. member for Ottawa West (Mr. McIlraith). At that time he explained that he proposed to ask in the standing committee on railways, canals and telegraph lines that there be a proviso written into the bill to the following effect:

> Provided that the main pipeline or main pipelines for the transmission of gas and gaseous hydrocarbons shall be located entirely within Canada.

Now, that amendment was passed by the standing committee, and it has since been passed by the house. The Yukon Pipelines Limited bill now contains that proviso, subject of course to approval by the Senate. I do suggest to the sponsor of this bill that his bill should be subject to the same proviso. As a matter of fact, that proviso has been written into all the pipeline bills that have come before the house at this session. It was even written into the charter of Trans-Prairie Pipelines, Ltd., when their bill was before the standing committee.

I have seen no reason why Trans-Border Pipeline Company Ltd. should have any advantage over the others. As a matter of fact the present applicants are proposing to try to get a pipeline which, I believe, is on the right of way of the White Pass and Yukon route. This pipeline was laid during the war by Americans, but now they are not using it. They are putting in a new line of their own which runs from Haines; and this pipeline along the right of way of the White Pass and Yukon route has to be taken over by someone.

The officers of the White Pass and Yukon came here and had a bill passed incorporating Yukon Pipelines Limited so that they could take over this pipeline. Now it would seem that these outsiders are asking for a charter so that they might have this same pipeline, which is actually on the right of way of the other people. This point need not be discussed at the moment, of course, but I would like to ask the sponsor whether the applicants for the present charter are willing to accept the same proviso in their bill, when it is being studied by the standing committee on railways, canals and telegraph lines?

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish simply to offer my support to the remarks of the hon. member for Vancouver-Quadra (Mr. Green). I hope that when the sponsor replies he will say that his company will be willing to do what other companies have done in this connection.

Mr. Speaker: When the hon. member speaks he will close the debate.

Mr. John Decore (Vegreville): Mr. Speaker, I have been authorized to say that when this bill is dealt with in committee the agent acting on behalf of the proposed company will have no objection to amending section 6 in the bill so that it will provide that the main pipeline for the transmission of gas and gaseous hydrocarbons shall be located entirely within Canada.

Incidentally I always admire the hon. member for Vancouver-Quadra (Mr. Green) when he insists that these lines be built in Canada. I would only hope that some of his colleagues might follow his example.

Mr. Green: Hear, hear.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

WESTCOAST TRANSMISSION COMPANY LIMITED

Mr. F. T. Fairey (Victoria, B.C.) moved the second reading of Bill No. 414, respecting Westcoast Transmission Company Limited.

Westcoast Transmission Company Limited

Mr. Green: May we have an explanation?

Mr. Fairey: Mr. Speaker, the bill before the house seeks permission for Westcoast Transmission Company Limited to change its capital structure. This company was first granted a charter of incorporation in 1949. This is the company which proposes to build a transmission pipeline from northern British Columbia and Alberta to supply natural gas from the Peace River bloc area to the lower mainland of British Columbia and, particularly, to the Greater Vancouver area. Arrangements to purchase this gas have already been made with the B.C. Electric Company, the distributors for this area, and the Inland Natural Gas Company, serving communities in the interior of British Columbia.

In addition, the Pacific Northwest pipeline system in the United States northwest have filed an application with the United States federal power commission allowing Pacific Northwest to import 300 million cubic feet daily, contracted for from Westcoast. This, together with 100 million cubic feet daily contracted for, for British Columbia's use, will require a line capable of carrying 400 million cubic feet daily.

Permission to export gas from this area has been obtained from the government of Alberta.

Because the proposed facilities now required to serve the market in British Columbia and the western states will require larger pipe of greater capacity than was contemplated at the time of incorporation of the company, and because of the continued increase in discovery of natural gas in the Peace river area, the company must be in a position to increase its facilities to take care of gas made available by exploration and the market demands for gas which will accrue from the growth of population in British Columbia and the adjoining states of the United States.

To finance these larger undertakings, the company is asking that the capital structure be changed from five million shares without nominal or par value to twenty-five million shares.

I might say that on incorporation of the company in 1949 the fee paid was based on five million shares of the maximum value of $10, having a total maximum value of $50 million. By establishing 25 million shares at a value of $2 per share, the total capitalization of the company for which the fee has been paid remains at $50 million.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

[Mr. Fairey.]

Mr. Speaker: The business under private and public bills having been exhausted, the house will revert to the subject matter under consideration at five o'clock.

SUPPLY

The house resumed consideration of the motion of Mr. Harris for committee of supply.

GOVERNMENT SERVICES—SUGGESTED NEED FOR ECONOMIES

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, when the proceedings were suspended at five o'clock to consider private and public bills I was dealing with comparative expenditures as between the year before the war and the current year, and I shall continue to discuss that matter now.

I had mentioned the figures in regard to the publication of departmental reports and other material which, in the year before the war, had called for no expenditure, but which in the current year called for an expenditure of $4,484,645. Then there is the very interesting item dealing with professional and special services which, in the year before the war, amounted to $4,104,000 and for the current year $32,014,774. That item of course covers the employment of people outside the ordinary government services, which embrace so many highly qualified people. I notice that in referring to that item I omitted to mention a very interesting change in the item as applied to the departments related to defence. Perhaps I should call the attention of hon. members to this, because in the three departments dealing with defence matters the total expenditure in the year before the war for professional and special services was $198,000 while that for the current year is $20,855,750.

Now, Mr. Speaker, these figures would suggest to anyone who has any sense of business responsibility that there should be an examination to see what can be done to increase efficiency, to improve the services and to co-ordinate some of those activities which have sprung up so rapidly under the pressures of war and the immediate post-war period. There is one way that this can be done, and that is for the government to set up an appropriate board of inquiry under the public Inquiries Act, with full power to examine this subject and to report to the government in the usual way. Following the ordinary practice, parliament would then receive the report as well.

It is my intention, Mr. Speaker, before I sit down, to move for the setting up of such

a board of inquiry. I would suggest that the government make this a free vote. I would earnestly request the government to consider the advisability of withdrawing any suggestion that a vote one way or another involves any test of confidence. I would hope that at this time it may be possible for the members on both sides of the house to indicate their belief that the nation's business shall be examined in the same way as any ordinary private business, and a general plan put before the government and parliament upon which we can act with knowledge of essential facts, knowledge that we do not possess at this time.

In making that proposal, Mr. Speaker—and I intend to deal with what has been done elsewhere—I was pleased that the hon. member for Kenora-Rainy River drew my attention to the Hydro Electric Power Commission. I recognize that he is not well acquainted with the facts in connection with that commission.

Mr. Benidickson: You are wrong there.

Mr. Drew: For that reason, I would therefore like to remind him that there is a particular reason why the Hydro Electric Power Commission should be recalled in that respect. At the time that I had some responsibility in connection with that organization, following years of maladministration by a Liberal government in Ontario, I—

Mr. Benidickson: Just look at the increased expenditures in recent years.

Mr. Drew:—I had occasion to deal with that very subject. I was confronted with problems of this kind, and at that time I carried out the very suggestion that I am now making here.

Mr. Benidickson: Twenty-two points that you have not delivered yet.

Mr. Drew: If the hon. member was really acquainted with the Hydro Electric Power Commission, he would know that at the time I was called upon to assume some responsibility in that respect we did appoint a similar committee of inquiry. The people we appointed were people who not only knew something about the Hydro Electric Power Commission, but were experts, and the most highly qualified experts in their own field. For instance, I was able to bring over to this country the chairman of the British Electric Grid, which had just carried out a tremendous reorganization of the whole electric system in Britain. I also was able to obtain the services of Mr. Walter Gordon, a man in whose qualifications this government has demonstrated confidence. I also obtained the services of Stone and Webster, a firm of engineers in the United States, who had been responsible for the construction of some of the largest hydroelectric enterprises in that country. In addition to that, I brought into that group the highly-qualified engineers and accountants of the Hydro Electric Power Commission. We set up a task force that examined the whole hydroelectric organization, and it needed that badly after the lack of attention and the interference which there had been for some years. But that was done. We received a report from men who really understood the businesslike operation of an organization of that kind. As a result of that, the Hydro Electric Power Commission stands today as an example of how public enterprises can be conducted under standards similar to private enterprise, following an inquiry of that nature.

Mr. Benidickson: The most improvident thing that happened in years.

Mr. Drew: I realize the hon. member does not know anything about this enterprise and is only repeating some of the campaign literature which probably has drifted into his possession during recent weeks.

I would not have mentioned this rather interesting example of a somewhat similar activity had it not been that the hon. member for Kenora-Rainy River displayed his lack of understanding of what is actually taking place in connection with that large public enterprise. I have dealt with it simply to show to other hon. members why I propose now that there be something in the nature of a committee of inquiry made up of real experts to examine the organization of government and government agencies. In the more limited field within which I once had responsibility I carried out, not only in that instance but in other instances, exactly the type of inquiry that I am now suggesting could be carried out to the great advantage of parliament and the people of Canada if the government would act on the suggestion that is being made.

Mr. Benidickson: You left a real lemon.

Mr. Drew: I must confess, Mr. Speaker, that the hon. member for Kenora-Rainy River does show some indication of needing a rest in the benign surroundings of the country in which he normally lives.

I do suggest, Mr. Speaker, that it should be possible to deal with this subject without the interjections which did make it necessary for me to deal with the comments which had been made. I would point out to hon. members that there have been many suggestions of the need for a thorough assessment and examination of our accounting methods and a general business set-up of the government

agencies as well as the government. For instance, in the annual report of Mr. Watson Sellar there is a finding which is made in regard to the Canadian Broadcasting Corporation. I quote from page 18, item 52, of the last report presented to us. This is merely one example of the things that suggest, and would suggest to any person operating an ordinary business, the need for an examination of this kind:

> Radio Canada building, Montreal, represents a capital investment of approximately $4,500,000. It is regarded as public property acquired for the international shortwave broadcasting service, but a substantial portion is occupied by the Canadian Broadcasting Corporation for purposes associated with its national service. No formal lease exists but the corporation pays rent at $1.79 per square foot for the space used for the ordinary services of the C.B.C. It cost $192,824 ($1.64 per square foot) to operate the building last year. The rental rate therefore is insufficient (a) to provide for depreciation, (b) to give a reasonable return on the capital investment, and (c) to recoup the cost of specially installed facilities. Consequently, the broadcasting corporation is being indirectly subsidized. Information provided is to the effect that the rate is under review.

That is simply one of the findings, which indicates a reason for examining this whole general situation.

Then we have the letter of Mr. Watson Sellar, the Auditor General, to the Hon. James J. McCann, dated Ottawa, August 5, 1954. Surely that letter would suggest to any businessman dealing with a similar proposition reasons why he should engage outside assistance to examine in a detached and objective manner the general organization of government and its agencies. The letter reads as follows:

> Sir,
>
> *Re: Canadian Broadcasting Corporation*
>
> Having completed the audit of the accounts of the above-noted corporation for the fiscal year ended March 31, 1954, I now report to you, in compliance with the requirements of section 87 of the Financial Administration Act the results of the examination both of the accounts, and of the financial statement forwarded herewith.
>
> Allowance for depreciation and obsolescence. Still applicable is the comment in previous reports to the effect that the appropriateness of the accumulated allowance for depreciation and obsolescence is open to question for the reason that the rates used through the years have never been scientifically established or consistently applied.
>
> Weaknesses having been noted in the accounts, this office wrote to the chairman of the board of governors on October 23, 1952, with supporting details and concluding with the words: ". . . it is suggested that the system be carefully reviewed, and appropriately revised and co-ordinated so that there may be no need to qualify the audit certificate in this regard".
>
> Subsequent action by the corporation not having been of a nature to remedy the situation, the manner in which the accounts were kept during the fiscal year ended March 31, 1954, was not found to be conducive to satisfactory audit.

[Mr. Drew.]

The letter then finishes with the statement that subject to the foregoing it is found that the general accounts represent the situation. Any businessman responsible for the administration of a large business who found that the head of one of his departments was continuing to refuse to make changes necessary for the efficient supervision of the business of that department would act, and act very positively and quickly. It must be remembered that this is the largest business in Canada. I suggest that what should be done in regard to other types of business certainly should be done in this particular case.

Other governments have not shown themselves to be unwilling to admit that there can be changes and that there can be improvements. The fact is that other governments have been able to carry out very important improvements. I am reminded of the fact that in Great Britain they have examined a number of their departments under inquiries similar to that which I am proposing.

But, after all, we have one government very close to us, it is true under a different constitutional system but actually dealing with similar problems and having the experience of an almost parallel expansion of activities. While the constitutional structure is different, the general business activities of Canada and the United States are so similar that when we see the tremendous expansion such as we have seen in both Canada and the United States during the same years we can well examine what is done in both countries.

Therefore we are interested in finding that in the United States the government did not suggest that everything was perfect. They decided that it would be wise to act like businessmen when dealing with the largest business that there is. I do hope that other hon. members are not being interrupted by the conversation of the hon. member for Kenora-Rainy River (Mr. Benidickson). Probably he is still trying to convince the hon. member sitting next to him that he knows something about the Hydro Electric Power Commission, but I must confess that it is a little disturbing when two speeches are being made at the same time. I think I should tell the rest of the hon. members that one reason why the hon. member for Kenora-Rainy River does not know about Hydro Electric is that they do not get their electricity in Kenora from the Hydro Electric, it is provided by the M. and O. Company.

Mr. Benidickson: Very wrong.

An hon. Member: You do not know.

Mr. Drew: I am not wrong at all; the M. and O. Company provides the power.

Mr. Benidickson: The hon. member was formerly the premier of Ontario and yet he does not know.

Mr. Drew: The M. and O. provides the power and the hydro take that power—

Mr. Speaker: May I humbly request that the Chair be addressed and a private conversation not carried on across the floor of the house.

Mr. Drew: I will just finish the sentence. The M. and O.—I want hon. members to know the facts—is a large pulp and paper company. It provides the power and some of that is taken by the Hydro Electric Power Commission in the areas around.

Mr. Benidickson: You have forgotten all about Ear falls.

Mr. Drew: That is not in the city of Kenora.

Mr. Benidickson: It is in my riding.

Mr. Drew: The hon. member seems to be suffering from some indescribable indisposition. The fact is that I know Ear falls very well. I opened the Ear falls plant, so I should know something about it. I know exactly what area it serves.

I am simply mentioning this to remind hon. members that there have been other inquiries which produced helpful results. I recall particularly the Hoover commission in the United States. The inquiries carried on by that commission were most successful and many changes that could be made were suggested.

In so far as the Hoover commission is concerned, I need not remind hon. members that that has been discussed before in this house. The United States government found that their first activities in this field were must successful so they then set up another commission with even wider powers. In doing so they have had the advantage of a team of experts who have been able to inquire into every aspect of government, including the production and distribution of power and things of that kind. They have obtained facts upon which a general discussion of this subject can take place.

As far as this particular activity is concerned, we might well recall that such an able administrator as General Eisenhower saw fit to renew the activities of the Hoover commission. The second Hoover commission was set up with what was described as a task force of 100 experts including widely experienced accountants, businessmen and others whose training would best qualify them to conduct an inquiry of this kind.

They have been inquiring into various aspects of government. One thing that they have been emphasizing is that under the tremendous impact of the improvised expansion which was necessary—I want to emphasize the words "was necessary"—during the war years a lack of integration in accounting methods and supervision resulted in methods that did not provide either the most efficient operation or the savings that could have been effected.

I think we have all been following some of the things that have been done. It will be recalled that the first Hoover commission was appointed in 1947. Perhaps it is also worth recalling that the first Hoover commission was given that name because its chairman was a former Republican president of the United States. He was appointed by a Democratic government in the United States. This indicates that there was certainly an impartial and objective inquiry.

That commission made its report and so well satisfied was the government with that experiment that President Eisenhower appointed the second Hoover commission in 1953. That commission has been reporting since then and already many reports have been received from the task forces that have been dealing with different subjects.

In regard to the report of the first Hoover commission, the New York *Times*, which I think most people will regard as one of the very responsible newspapers in the United States, said that 72 per cent of the proposals of the first commission appointed in 1947 had been either wholly or partially put into effect. Then also there was a very interesting organization set up in the United States, known as the citizens committee for the Hoover report. That voluntary committee sought to emphasize the need for efficiency and economy. That citizens' committee, made up of highly qualified people seeking efficiency in government, calculated that, of the 273 specific proposals put forward for more efficient and more economic administration of the government, 116 had been completely accomplished, 35 mostly accomplished, and 45 partly accomplished. The committee found also that, when the full effect of the proposals adopted had been felt, this would result in a monetary saving of at least $5 billion annually. I recall that figure because we have emphasized our belief that there can be large savings by an ordinary business-like examination of the administrative figures of government and the general organization of government. Dealing with the organization of government, they found that $5 billion

annually could be saved merely as a result of the carrying out of the recommendations of the reports of the first Hoover commission.

Then we come to the second commission, which was given very wide powers to examine various branches of government, and we find that the many reports which they have made suggest further substantial increases of a very striking nature. Again, to look at a very responsible newspaper in the United States, I find that the *Wall Street Journal* for May 20 of this year—and it is a very reputable financial publication—comments on the second Hoover commission under the heading "Hoover Says Commission to Make Suggestions for $13 Billion Saving". These are savings effected in a structure which expanded under forces and stresses very similar to those which caused the expansion here. The *Wall Street Journal* says that the taxpayers can be saved a total of $6 billion in regard to ordinary operating expenses and in addition that the treasury can gain a further $7 billion in moneys that are now being spent in connection with activities which could be better carried out, according to the Hoover report, by private enterprise in the United States.

Whether the figures are exactly comparable, at least let us remember that the first Hoover report resulted in proposals that actually called for savings and have resulted in large savings which, fully implemented, will reduce expenditures in this field by $5 billion a year, and that the second Hoover commission has made recommendations which would result in further annual savings of $6 billion a year. It is true that we cannot give the exact figures but, remembering that the United States is just a little over ten times as large as Canada, surely it is perfectly obvious that we could expect and would have reason to expect savings of the order of hundreds of millions of dollars if we carried out an appropriate examination of the general business of government in this country. That does not suggest for one moment that there is any dishonesty, that there is any misappropriation of funds or anything of that kind. When business experts go into any ordinary big private business and, as they often do, save hundreds of thousands or perhaps millions for the shareholders of those companies, they do that, not because there has been any misappropriation but because they have found that the business organization grew without effective integration of its activities and that, as a result of a more appropriate set-up, the avoidance of duplication and the better employment of the people actually engaged, they have obtained these results.

[Mr. Drew.]

Now, let us remember that in this country, in addition to departments of government, we have many enterprises that will bear examination. Let us just look at the crown corporations which would bear examination. The Canadian Broadcasting Corporation needs examination. I am talking about it from the business point of view on the basis of the reports of the Auditor General. The findings of the Auditor General make it perfectly clear that there should be an examination of the business structure, and its very unusual set-up would also suggest that. Then we have the Canadian farm loan board, the Canadian National Railways, the Canadian National Railways Securities Trust, Canadian National Steamships Limited, Canadian Overseas Telecommunication Corporation, Central Mortgage and Housing Corporation, Eldorado Aviation Limited, Eldorado Mining and Refining Limited, Export Credits Insurance Corporation, Northern Transportation Company Limited, Northwest Territories Power Commission, Polymer Corporation Limited, Trans-Canada Air Lines. These are only some of the great corporations operated by the government, in regard to which every hon. member here is entitled to information. We know we are not able to get full information in regard to the Polymer Corporation. We know we are not able to get full information in regard to Canadian National Railways. We know we are not able to get full information in regard to Trans-Canada Air Lines. We know perfectly well we cannot get full information in regard to many of these because we are told that to disclose these facts would be placing those organizations in an unfair competitive position. If we accept that—and I certainly do not accept it—then the only hope we have is to have one of these objective examinations such as have been carried out in the United States.

I should also point out that another thing which the Hoover report dealt with in a very interesting way was the paper war that is carried on within their departments. It pointed out that there was an unbelievable waste of paper, to say nothing of the human effort involved. In the New York *Times* of February 21 of this year there was the following heading: "Hoover Unit Bids U. S. cut Red Tape to Save Millions". Of course, it is true we have had the statement, "What's a million?" But this is not a single million; this is millions. This is one of the things that are symptomatic of a general condition. The Hoover report already filed suggests better management of the paper work of government; and how forcefully it deals with some of these slick publications issued by government departments to extol the hidden

virtues of some of those associated with the various activities of those departments! Those reports make interesting reading, when we see the figures of transportation dealt with by the Hoover report. They indicate the wanderlust that gets into people once they find that there is nobody restraining their movements. There is nothing irregular, nothing unnatural, but if nobody is looking into the matter it is strange how distant fields not only look green but beckon so strongly that the farthest point to which a ticket can take one is the point that seems to be the most natural. Because of that the Hoover commission recommended that there be a director of transportation just to see if the trip really is necessary, and just to see also if there could not be certain savings. It also suggested certain directors to look into telephone calls, telegrams and communications of that kind. All of it has an astonishing similarity to what we see here in this country.

I do not propose to deal any longer with the Hoover reports because I know hon. members have read them, but there are so many things that suggest similarities. For instance, one of the task forces of the Hoover commission dealt with the fact there were so many architects in scattered offices here and there. Some of them did not know that other architects were doing exactly the same thing. It has already been commented on during the present session that there are 89 architects throughout the government services responsible to their respective departments but without any co-ordination of their activities under one central guiding body.

Then, what about the various activities of different departments which are precisely the same? What, for instance, about the national film board and the Canadian Broadcasting Corporation? Let me refer to them as an example that could be extended over hundreds of examples, and I say hundreds, right across the board. The Canadian Broadcasting Corporation is now using a great many news films for its telecasts. We also have the national film board and private agencies taking news films. In many cases these people are taking the same news films on the same occasions. Surely if the Canadian Broadcasting Corporation is going to be taking news and other films of that nature they could be the government agency to take that kind of film and supply them to the national film board or, if the national film board with its longer experience is the one to do it, then let them have the handling of them on the directive of the Canadian Broadcasting Corporation. I cannot tell and no member of the government can tell at this time how much could be saved, but one thing is certain, that a great deal could be saved just by that one simple procedure. Other examples of that kind could be multiplied throughout the whole of the system.

There is another reason why I think there should be an examination. I think the time is overdue now for an examination of some of these agencies of government just to see where they fit into our private enterprise system. Let us really recognize that our economic system is a private enterprise system and that it is based upon the belief that the genius of individual effort and individual initiative provides the generative force which has given us the prosperity and growth that we have in this country. We should be very careful that, in a perfectly normal desire to meet emergencies, we do not create agencies which restrict that great human driving power which proved so successful during the last world war. If ever there was a real test of private enterprise it was the initiative of human beings brought up in a private enterprise economy who were able to adjust themselves suddenly to the dreadful demands of war and to improvise with all the initiative and ingenuity that arose under those conditions.

Then let us remember that these great public enterprises pay no taxes and little or no interest on their enterprises except for the special provisions which have recently been made. In the ordinary course of events they do not pay taxes such as are paid by private enterprises. I recognize there are exceptions, but the general principle is a limitation of taxes on publicly owned property.

Then there is very real evidence of a desire not to include depreciation in government accounting. That has been manifest in many of the accounts we have examined. However, without going into detail we do know that many of these organizations were built up under great pressure, and there should be an objective examination by an independent inquiry into the general set-up. We should be told whether these are in the best interests of Canada, and in the case of those that we know will and must continue to operate, like the Canadian National Railways and Canadian Broadcasting Corporation, both of which, I might say, were brought into existence by Conservative governments, we should have a re-examination and the whole system should be properly analysed to see where the impact on private enterprise is or is not appropriate, recognizing that we are a private enterprise country.

I submit, Mr. Speaker, that just as in the case of private business we should examine them on a businesslike basis or we

will encourage inflation. In fact, the government will get a vested interest in inflation unless it tackles this problem, because unless it does so the only way it will be able to meet some of the continuing obligations will be to encourage still further inflation by deliberately inflationary methods. Do not let anybody suggest that cannot be done because it has been done in country after country where they did not examine government business in the very manner that is being suggested here. Just think of all the countries of Europe which, a comparatively few years ago, thought their economies were as sound as a rock and whose currencies are debased today to a point where all the life savings of millions of people have been completely wiped out or, in the best of cases, substantially reduced in many of the countries.

We still have a chance but the time of grace is not too long. We still have a chance to examine our own affairs and to reverse the trend, to place the business of government on a sound basis. As I conclude these remarks I repeat my earlier suggestion which I placed before the government. If there should be a free vote, as we have had on different occasions, I would hope that hon. members, seeing what has been accomplished elsewhere to improve the general efficiency of government and the agencies of government, would support the motion I am going to place before the house. Therefore, Mr. Speaker, I move, seconded by the hon. member for Prince Albert (Mr. Diefenbaker):

That all the words after "That" to the end of the question be deleted and the following substituted therefor:

"this house is of the opinion that consideration should be given to the appointment of a commission of inquiry under part II of the Inquiries Act with powers to examine into and report upon the organization of the various departments of the Canadian government with a view to ascertaining and making recommendations respecting:

(a) economies and improved services which could be effected by reorganization and elimination of duplication;

(b) the status and function of crown corporations and other government agencies and their effect on our free enterprise economic system."

Mr. Coldwell: Six o'clock.

Mr. Speaker: It being—

Mr. Coldwell: Six o'clock.

Mr. Speaker: Does the hon. member wish to adjourn the debate?

Mr. Coldwell: I will adjourn the debate.

Mr. Speaker: I think he wants me to call it six o'clock.

Mr. Coldwell: I did call it six o'clock.

[Mr. Drew.]

Mr. Speaker: I am sorry, I did not hear the hon. member.

Mr. Coldwell: I called it six o'clock twice.

Mr. Speaker: Perhaps I did not hear the hon. member because I was thinking of the amendment and some of the precedents that I was reading, while at the same time listening to the Leader of the Opposition. I may as well say now that it occurs to me this amendment deals with efficiency in government services. I should like hon. members to consider that during the address in reply to the speech from the throne, the acting leader of the opposition moved an amendment which appears on page 31 of *Hansard* for January 10, 1955. It reads in part as follows:

We regret that Your Excellency's advisers have failed to take or to recommend the necessary measures:

(d) to eliminate waste and extravagance in government and improve its efficiency.

Then on the budget the hon. member for Greenwood moved, at page 2954 of *Hansard* for April 19, 1955, the following amendment:

That all the words after "That" to the end of the question be deleted and the following substituted therefor:

"this house regrets that in its budget proposals the government has failed:

(c) to curb its own extravagance and inefficiency.

The house will recall that, as recorded on page 3425 of *Hansard* for May 3, 1955, I issued a warning that questions that had already been decided by the house should not be offered for decision again in the same session. I referred hon. members to some rulings that had been given by my predecessors, namely Mr. Speaker Black and Mr. Speaker Macdonald, and also to two authorities on the point, Bourinot and Beauchesne. During the debate on the budget the mover of the amendment, the hon. member for Greenwood (Mr. Macdonnell) did speak about the reduction of expenditures as recorded at page 2945. I see that in the same debate the hon. member for Eglinton (Mr. Fleming), who was the seconder of the amendment, spoke about what he called the fifth problem the budget ignored, the problem of waste and inefficiency. His words are to be found on pages 3396 and 3397 of *Hansard* for May 3, 1955. The hon. member for Prince Albert (Mr. Diefenbaker) dealt with the point as well, and his words appear on page 3613 of *Hansard* for May 10, 1955.

I think I have said enough at the moment.

Mr. Drew: Since you have raised the matter now, and doubtless will be considering it, may I make a brief observation which I would not wish to suggest concluded my

remarks on the point. Each motion to which Your Honour has referred was a motion which expressed regret that certain things had not been done or sought a declaration that there was waste and inefficiency. Now, unless the defeat of those motions is to be taken as a declaration that this is the best of all governments and that they are flawless, I do not know how it would be possible to suggest to the house practical ways in which improvement in the business of this house should be carried out. We would be denied that opportunity.

After all, we are merely saying we want a committee set up to examine the business organization, to consider ways in which efficiency could be increased and savings effected, and the general aspects of our crown organizations in relation to private enterprise submitted to examination. I do submit that if resolutions suggesting waste and extravagance, and regretting that certain things have not been done, are voted down by a majority which finds it convenient to support the government, if that is going to wrap around the government such a veil of sanctity that we cannot even make practical suggestions for improvement, we really would have paralysed the business of this house.

Naturally, I leave that suggestion with you until this matter is under consideration again.

Mr. Speaker: May I point out to the Leader of the Opposition that when the acting leader of the opposition moved the amendment to the address in reply, I indicated to him at the time that each point mentioned in the amendment would be just that many blocking motions in the future. I felt the amendment was rather long. Now, later, when the amendment on the budget came along and we had another recital of various points which were a repetition of many of the points recited in the amendment on the address, I contented myself with issuing a caveat. In the first amendment on the address in reply we have words to the effect that the house regrets the government failed to eliminate extravagance and inefficiency. In the amendment on the budget the words were to the effect that the house regretted the government had failed to curb its own extravagance and inefficiency. Now, we have an amendment to the effect that consideration be given to the appointment of a commission to try to eliminate extravagance and inefficiency.

Now, the hon. the Leader of the Opposition has overlooked this point that the amendment to the address in reply, the amendment to the motion to go into committee of ways and means on the budget and this amendment on a motion to go into supply, are three want of confidence motions. When I issued the caveat a few days ago I was dealing with the amendment on the budget, and I referred hon. members to the *Journals* for Tuesday, November 22, 1932, page 113, a ruling by Mr. Speaker Black. It is not an isolated one but is one that fits the situation with which we are faced now perfectly.

Mr. Speaker Black had to give a decision on the motion that the Speaker leave the chair for the house to resolve itself into committee of ways and means. To this an amendment was moved by Mr. Heaps as follows:

"In the opinion of this house it is desirable that a committee or commission be appointed to consider the economic situation in the dominion with special reference to unemployment and to report back during the present session of parliament."

A point of order has been raised that the amendment is out of order on the ground that it again introduces a matter that was debated and disposed of when the Right Honourable the Leader of the Opposition moved as part of an amendment to the address:

"The house regrets that, except the dole, the government has no policy with respect to the relief of unemployment."

Mr. Speaker Black continues:

I have carefully considered the arguments presented on the question of order, examined the authorities and precedents of both the British and Canadian houses of parliament. In the debate on the amendment of the Right Honourable the Leader of the Opposition to the address I find that he suggested that a committee or commission be appointed and given charge of the whole question of unemployment relief which shows that the subject matter of the proposed amendment was then open to discussion and actually debated. If this amendment is allowed it inevitably follows that there will be a repetition of the debate on unemployment.

The ordinary rules of debate are applicable on this occasion, for instance, a matter already decided by the house cannot be discussed. Bourinot 420.

This amendment is offered on the motion to go into committee of ways and means and not being accepted by the government is a motion of want of confidence and the fact that it provides for the appointment of a commission or committee with special reference to unemployment is in effect a condemnation of the government's policy on that question.

The house has refused to condemn the government's policy on unemployment by rejecting the amendment moved to the address by the Leader of the Opposition.

In view of that decision by the house I cannot find that this amendment being a motion of want of confidence dealing also with unemployment is in order.

Now, the only flaw in this line of argument would be for the government to not consider this motion as one of want of confidence. Pending the time we hear from the government on that score, I shall reserve any further judgment. As it is six o'clock, I do now leave the chair.

Mr. Harris: If I may expedite the business of the house, I would point out to Your Honour that under no circumstances would

the government entertain a motion by way of amending the supply motion as other than one of want of confidence.

Mr. Speaker: Under the circumstances I must very regretfully declare the amendment out of order, for the reasons I have already given.

Mr. Drew: Mr. Speaker—

Mr. Speaker: It is past six o'clock; but does the Leader of the Opposition wish to speak?

Mr. Drew: I had not thought that you had concluded the argument. However, it is quite obvious that you have made up your mind, so I shall not extend the discussion at the moment.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Bryson: Mr. Speaker, I should like to bring to the attention of the house a grievance having to do with agricultural matters.

Mr. J. M. Macdonnell (Greenwood): I wish to continue the subject discussed this afternoon. I understand I may do so. Am I seen?

Mr. Speaker: The hon. member may continue until stopped.

Mr. Harris: Mr. Speaker, on a point of order, Your Honour, I think I know the reasoning behind the desire of the hon. member for Greenwood to continue certain remarks. May I point out to you that there is a possibility that we—and when I say "we" perhaps I mean Your Honour—are confusing two things. On the motion to go into supply there are two kinds of speeches that may be made, namely, one, discussing public business and the other discussing grievances. We have followed the practice in this house, as I recall it, of Your Honour encouraging persons to continue the discussion of a grievance until it is exhausted, before proceeding to another.

As I apprehend the remarks of the Leader of the Opposition this afternoon, the matter under discussion could not be described as a grievance; it could be described as a matter of general public business. That being so, it does not follow, I suggest, that we have to continue with the same subject. If it were a grievance, I suggest we should.

Mr. Drew: Mr. Speaker, on that point might I remind Your Honour that a ruling has been made based upon the fact that it is related to what had been expressed in the form of a grievance or a complaint on an earlier occasion relating to a similar subject. To the extent that we have been able to establish that this was a form of public business unrelated to earlier complaints in regard to extravagance and waste, then, under the ruling that Your Honour made, and which it is not my intention to question at this point, we most certainly would have been in a different position from what we are now.

The rule, as I understand it, is that grievances may be raised. This was a grievance in the way in which the term is used to the extent that we placed before the house certain things that we thought should be done. It is quite proper to point out that we have placed the same thoughts before the house on other occasions in a different form, but, Mr. Speaker, I very strongly urge that the broad term of raising grievances covers the very point, and the only limitation is not that there be one class which is described as a grievance and another class which is described as a positive raising of public business, but rather that in raising grievances there may be only one motion. We have raised that motion. Your Honour has ruled it out of order. But I submit that it certainly comes within the broad term of grievance as used in relation to the rule that we are discussing, while we may ourselves have put it forward in a positive form.

Might I say, Your Honour, before you make a ruling, that of course there is also the fact that the leader of the house has divested himself of the opportunity to raise the argument that he now raises by saying that under no conceivable circumstances would he agree to a motion which was an amendment to the motion to go into supply. Consequently, he himself has established that this is a grievance.

Mr. Speaker: As I understand it, wide latitude is given to hon. members to air grievances on the motion to go into supply. The limitations are set out in citation 467 of Beauchesne's Parliamentary Rules and Forms, third edition, which says, in part:

> . . . shall not relate to any decision of the house during the current session, nor to any item of the estimates, nor to any resolution to be proposed to the committee of ways and means, nor to any matter placed on or whereof notice has been given in the order paper.

In connection with the first part of the citation that I read, which is to the effect that a grievance shall not relate to any decision of the house during the current session, hon. members know that sometimes grievances are put forward without any amendment being

submitted. That is citation 468. An amendment has been submitted which had the effect of directing the house to make a decision upon the amendment. I ruled the amendment out of order because in the main it dealt with a matter which had already been put in the form of an amendment on earlier occasions and decided upon by the house.

We are now in the same position, the amendment having been ruled out of order, as if no amendment had been moved at all. Until the Leader of the Opposition had moved his amendment, he had covered a wide field of government administration with respect to pointing out inquiries that should be made in order to strengthen the administration and also crown corporations that are agencies of the government. I am inclined to think that the discussion can go on on that particular subject matter, and any violations that I can foresee will probably have to be dealt with under standing order 40, subsection 2, which deals with repetition of arguments already used in previous debates which have been concluded, either by the hon. member who is about to speak or by other hon. members. But, as hon. members know, wide latitude is given with respect to grievances on the motion to go into supply, and I would hesitate very much at this moment to limit the discussion. I would rather see it go on, if that is the wish of hon. members, in the hope that there would be no repetition of the arguments that have already been used with respect to some of the points that may be brought forward at this time on the subject introduced by the Leader of the Opposition.

Mr. Macdonnell: Thank you, Mr. Speaker. I hope that what I say will at least satisfy you that I am continuing on the line which you have approved.

As a matter of fact, Mr. Speaker, when I realize that what is happening is that we are suggesting to the government that they might improve their administration by getting the assistance of some experts to look at what they have been doing, I find it hard to believe that their answer is in the negative, or would have been in the negative, had it come to a vote. To me it seems so obvious that this would be a desirable course. Let us have a look at it. What is the situation of this nation's business? What kind of business is it that we are engaged in? After all, we are engaged in the biggest business that goes on in Canada by far. Well, of course, the first thing that strikes one about it is that it has grown enormously in the last 15 years. It has mounted by some 10 times or more. The second thing that strikes one about it—and this is a very unusual but a very important thing—is that it is a business where those who are carrying it on can fix the income of the business. The income of the business is what they determine it is to be, and of course that in itself is a great hazard; that in itself is a great temptation to be easy-going with money, because, after all, if you do not have enough it does not mean you go broke; it just means that you get more money, as we are going to do this year because we are budgeting for a deficit.

I feel that when you consider the figures given this afternoon—I am not going to review them; I have heard them before; they were not new to me, and yet they struck me all over again—you have the feeling of what would happen if it was a private business. Well, of course, the answer is it could not happen; it would have been checked long ago. And so I repeat that all these things seem to me to indicate that an inquiry, assuming it is carried out by competent people, for people who are conscious of the need of help, who want help, could not be anything but a good thing. Of course, in private business it is the most natural thing in the world.

Let us have a look at these men in private business. Most of them have been in it all their lives. They have been trained up to the job. It has been a matter of economic life or death to them. They naturally had to give everything they had in order to be a success; and yet they are only too ready to go outside and check up on what they have done. It does not mean that they abdicate their own judgment. I do not mean that they put themselves in the hands of some outside company because, as was pointed out to me by a shrewd observer this afternoon, sometimes the ideas of outside experts may be grandiose. Sometimes they may have extravagant ideas. Nevertheless, to have a check-up by an independent mind is good.

These heads of corporations are not weaklings; they are not men who have no self-confidence; they are not men who are rushing off every day fearful of their own judgment and trying to substitute someone else's for it. They are men of self-confidence; but nevertheless they feel that from time to time it is wise to check themselves up from the outside, to get competent people to come in and look over what they are doing.

These efficiency companies do not just rise out of the air; they do not rise up without there being some field of want. People do not pay their high fees just for the fun of it, they pay their fees because they feel it is worth while to do so. They do so because they believe in having fresh and independent views. They want the truth, and there is nothing to prevent them getting the truth. Sometimes we in this house are a little

handicapped by the fact that we know that we represent the views of other people, we know that we have to make our views palatable to other people and sometimes we may be a little handicapped in following an argument just where it leads. That makes it all the more important in my opinion that those who are engaged in the business of government should be ready and willing and anxious to get assistance from the outside.

What is the situation with regard to administration when we look at the cabinet? I have proper respect for the cabinet and I think it worthy of some of the esteem in which its members hold themselves. Nothing that I say is intended to be derogatory. But I think it is also fair to say, and I think it is obvious to say that few ministers come into the departments with wide experience in administration. The Minister of Trade and Commerce (Mr. Howe) was an exception.

What are the essentials of administration? I suggest that a good administrator is a man who understands the advantages of delegation. That seems to be the key of the whole business. Delegation, I suggest further, means that he can pick good men, and that he will give them their heads, that he will give them plenty of responsibility and back them up. That is an awfully easy thing to say but it is extremely difficult to do.

I want to say another thing which most certainly can be said without any offence. We have a great many lawyers in the cabinet. I tried to be a lawyer once so that anything I say now cannot be regarded as derogatory to lawyers. But I say deliberately that it is only by an act of God that a lawyer is a good administrator, because after all—

Mr. Lennard: You can say that again.

Mr. Macdonnell: I believe that an act of God has been defined as an act that no reasonable man would take. As I said a moment ago, the essence of an administrator is that he knows how to delegate. But the essence of the whole life of a lawyer in practice is that of a man who does not delegate, it is that of a man whose personal services are wanted by his clients. I say with all respect and deference and regard for the profession that it is only an act of God if a lawyer is a good administrator.

I am not overlooking the civil servants who are there standing behind the ministers. There is no one that has more respect for them than I. They are trained men who have come up gradually, but on the other nand to some extent their life has been a secluded life. They have not had wide contacts with the world, they have not entered into tne rough and tumble that people in business encounter. Furthermore I would be willing to hazard a small sum that if one could get a really freely expressed comment of the civil servant in the higher echelon as to whether he would like, however competent he may be in his own work, to have a check made by someone else looking at his work, he would get this reply, "Why wouldn't I?"

If he did not make such a reply then I would say that he is not as good a man as I thought he was. I would feel that he was conscious of some weakness, that he was not fully confident of his own work, that he was afraid or at any rate hesitant to allow an independent view to be brought in. Therefore I repeat that I think the highest type of civil servant would be all for an independent view. That adds strength to my feeling that it is desirable.

I come now to what I think is a most important point. I ask whether there have been any experiments, whether anything along this line has been done by the government. Of course the answer is that it has. I have here a report made several years ago in relation to the national film board, and hon. members will remember the reference that was made to the Woods-Gordon report in connection with the post office. In those two cases, for reasons which obviously I am not familiar with, there was a reference to an outside source. I want to refer to those because to me they offer the strongest possible argument in favour of what I am now arguing for.

If we had found in the case of these two reports that the investigators had no comment or criticism of any kind to make, then I think it might be said that that was prima facie evidence that my suggestion was unsound. It could then be said that when the government did do what I wanted them to do, when they did go outside to get allegedly expert people to make a report, they got a clean sheet. It is for that reason that I want to put on the record a brief reference to what was said about the national film board and also about the post office.

I suggest that if we find, as I shall suggest we do find, that these reports are critical, that they indicate all was not well; if we find, as I think we shall find, that these reports were the occasion of substantial and even drastic changes in the administration of these departments, then I shall feel that that is a strong argument for the argument I am making. I might just interject here, lest I forget, that it seems to me that what was said this afternoon by my leader about the Hoover report is in itself a very cogent argument.

We are extraordinarily like the Americans in many ways. When we find that they have spent the large sums of money which they did on those reports, when we realize the tremendous effort that has been put into the work implied by these reports, it seems to me that that is the strongest argument—putting it at the very lowest point—that we could find that that would be a useful course for us to follow.

I should like to refer briefly to some of the comments made with reference to the film board. The criticism was not strong, but nevertheless I think it warrants the time that anyone might spend in reflecting on it. This is a report by J. D. Woods and Gordon Limited, made by a man who I think has the respect of this house regardless of party. I submit that the suggestions made here are indications in connection with this small and rather tiny department which might be of tremendous importance in connection with the larger ones. Before I go on to the film board, I digress here to speak for a moment further about the huge department, the largest of all, the defence department. We have tried very hard here in this house to suggest to the predecessor of the present minister, who is a friend of us all, that he had a terrific job on his hands—he had over 30,000 civilian employees apart from the huge military staff—that it had grown like a mushroom and that it needed the most expert assistance that could be brought in. We did not get very far with the minister. The minister was capable of prodigies of individual work himself; he worked with almost feverish energy. I sometimes wondered if he did not think that if he worked as hard as he could, twice as hard as most of us, somehow or other that would do the job. At any rate when I pressed him and asked him how he was undertaking this huge addition to the work of the department, the answer I got was to the effect that there always has been a defence department, it has grown a bit certainly, but we are doing our job. I took that as said in good faith. If working, as I say, with feverish energy would have done the job, then I am sure it would have been done, but it left me with the feeling that there was no recognition of an obvious fact crying out for recognition, that here was a terrific job that needed special effort and special assistance.

Having said that about the Department of National Defence, I want to come back and read a short extract from this report on the film board because this is the kind of thing which if applied to the huge departments, should pay off with terrific results. This is the report made in 1950. I quote:

> The administrative controls and procedures of the board have improved considerably in recent years but there is still room for substantial further improvement. Present shortcomings are mainly due to three causes: The business management section has lacked sufficient authority to control the expenditure of funds; the board has been obliged to work within the framework of government accounting practices which were not designed for a productive organization and are not suited to its needs.

I think that is a very important point. Here is a department of government which has gone into business and does not have the proper tools. I read further from page 24 of the report:

> In the past, difficulties have arisen because commitments have been made without regard to the availability of funds; for example, in some cases: (a) Budgets have not been prepared until after the production of a film has commenced; budgets have been prepared to cover part of the work only;

I skip the rest and go down to (d):

> Prints of films have been ordered by the distribution department without reference to the business management section as to the availability of funds.

I am not going to weary the house with further quotations. I submit that that proves exactly the point I am trying to make, that it could be of the greatest assistance to a department if some competent, reliable person of good sense were brought in and asked to give advice.

Now I wish to refer a little more at length to the Post Office Department, because, as we remember, a good deal more by way of criticism was said in regard to that. I am reading now from *Hansard* of January 15, 1954, page 1173:

> With regard to the operations branch the report says: "The work of the operations branch has over the years increased to the point where the staff at all levels are overloaded with a multitude of routine problems and correspondence. No one has had the time to develop policies which can be applied on an over-all basis."

Later on page 1173:

> Here is one of the things the report has to say regarding controls:
> "The branch is operating under a severe handicap as there are no standards established to measure the relative efficiency of a given method of operation. The lack of such standards is particularly felt when requests are received for additions to staff or accommodation."

One further quotation:

> The cost information available to the department discloses that the special delivery service is operated at a considerable loss. In some centres the postal rate for a special delivery letter is less than the contractor is paid to deliver the letter. The user of the special delivery service is interested in a rapid and assured delivery. It is believed

that the majority of users would be prepared to pay considerably more for this service if their requirements were met.

Here is a statement of a condition which apparently was not known to the department. I repeat it:

In some centres the postal rate for a special delivery letter is less than the contractor is paid to deliver the letter.

That is apart from all the work and overhead in the Post Office Department itself.

Now, I repeat, Mr. Speaker, that to me the arguments in favour of this seem convincing, and I have still to hear any argument against it. I cannot remember any real argument at all having been made against it. I would not undertake to say that no argument has been made, but certainly none that seems to me worthy of consideration. I would have thought that all the arguments were on the one side. The expense would be trivial and the possibilities of recovery enormous. As I say, it almost seems as if we on this side were not to be allowed to have any good ideas of any kind. The mere fact that we put something forward apparently is enough.

Mr. Harris: My hon. friend knows we have often accepted good suggestions from the opposition.

Mr. Macdonnell: I may have a poor memory, but I do not remember many.

Mr. Harris: Maybe there were not many.

Mr. Macdonnell: It is open to the minister to say that they would have accepted them if they had been good; that is always open to him. But I will repeat that I hope very seriously that if this is going to be turned down we shall be given the reason. There may be good reasons, but I do not know them.

I remember a remark made in the *New Statesman and Nation* about Lord Beaverbrook. They did not think much of him, but they did say this, and I think it is applicable to the present situation. In the early days of the war they said that they would like to see Lord Beaverbrook put into every department of government for just two months. They meant that he would clear out all the cobwebs, that he would throw out all the preconceived ideas and make everyone re-think what they were doing.

It also reminds me of a story about Churchill when he became first lord of the admiralty as a young man—I think he was 37 at the time. He went all through the departments and asked all the people to tell him what they were doing. After they told him, he asked a question that they had never been asked before. He asked "Why?" That apparently was quite a shock to them. I suggest that something like that should happen here. I do not wish to derogate from the members of the cabinet, and I do not wish to derogate from the civil servants, for whom I have a great respect. I am talking about what I believe is an inescapable situation where things are allowed to run on from decade to decade. In some departments we would probably find that they were doing things because they did them in the time of Sir John Macdonald. I do not doubt that the things that were done in Sir John's time were wise, but that does not say that they are going to be wise 60 years later.

It seems manifest good sense to do this. I should like to point out that this comes, not from a man without experience in administration. I should like to recall in passing that my leader was prime minister of Ontario for five years and, speaking for myself, I have never yet heard anyone of any party in Ontario say he was not a good prime minister. The suggestion comes from him and the rest of us support it and are enthusiastic about it. I hope it will not suffer the fate it had before, for I say, subject to being corrected, that I do not recall an argument being made against it. I say that to me this is manifest good sense. At the worst we will have spent a little money. Perhaps we will feel afterwards we did not get value received, but I do not fear that. There would be value received anyway because if no criticism were made the government could have the feeling that everything was all right and they could make use of it in the next election. I would take a chance on that myself. I would risk the government getting a clean sheet. Therefore I wish to move, seconded by the hon. member for St. Paul's (Mr. Michener):

That all the words after "That" to the end of the question be deleted and the following substituted therefor:

"this house is of the opinion that consideration should be given to the appointment of a commission of inquiry under part II of the Inquiries Act with powers to examine into and report upon the organization of the various departments of the Canadian government."

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I really had not anticipated entering this debate but since it has continued on the basis of the subject matter introduced in support of the amendment you declared out of order before the dinner recess, and since another amendment of a rather different kind has now been moved, I wish to say something about the subject matter surrounding the amendment. First of all I want to say that the members of the parliament of Canada are elected to do a certain job and when we are elected we assume

certain responsibilities. One of those responsibilities as far as the opposition is concerned and, indeed, private members on the government side too, is that we shall scrutinize very carefully expenditures of the government and proposals of the government for expenditures. It seems to me that is a fundamental duty of members of the House of Commons. I do not believe that at any time, unless the circumstances are very exceptional, we should abdicate those rights and powers that are properly the function of parliament.

It has been said of course that a somewhat similar commission was set up in the United States by congress under former President Hoover. But let me point out that the parliament of Canada and, indeed, the parliaments of the commonwealth of nations, are not comparable in many respects to the congress of the United States. In the House of Commons we have sitting before us every day of the week that we sit ministers of the crown who are responsible directly to the elected members who sit in this house. The advisers of the president of the United States, that is, the cabinet of the United States, are not members of congress. They are the personal choice of the president, are not responsible directly to the members of congress and do not occupy seats either in the Senate or in the House of Representatives.

Consequently the situation in the United States regarding the examination of accounts, the questioning of ministers and the inquiry into public matters of that description is essentially different in method from those that we adopt in the parliaments of the commonwealth, of which the parliament of Canada is one. One of the major responsibilities of the members of the House of Commons is that of inquiring into the expenditures of the government and satisfying themselves that those expenditures are being properly, efficiently and economically made. So I say that there is a fundamental difference in the approach to this problem between the United States and Canada.

Let it not be said that in saying this I am condoning in any way the extravagances which I believe can be found in government administration. This afternoon the Leader of the Opposition (Mr. Drew) quite properly placed before the house a substantial list of very startling expenditures that, I suppose, had been prepared for him very carefully by persons in his office or elsewhere, and which indicated there were very large expenditures in certain fields that I do not think can be justified at any time.

For the last several years I have looked at the expenditures of the first department he mentioned today, the Department of National Defence. It is a very difficult thing for a member of the opposition or, indeed, any private member of the house, to rise and suggest that the estimates of the Department of National Defence should be cut by $100 million, $200 million, $300 million, $400 million or $500 million because, unfortunately, the Department of National Defence is surrounded by a veil of secrecy. If one endeavours to curtail the estimates of that department one is accused immediately of being opposed to adequate defence of our country. I think there is no individual, no person in this house, who would cripple our country in defending itself against the threat of aggression or actual aggressive action on the part of any country in the world.

Yet I say I am convinced in my own mind that the figures produced this afternoon by the Leader of the Opposition confirm in part the opinion I have held for a long time that we could save $100 million, $200 million, $300 million or more if we could examine the expenditures of that department. Let us take travelling expenses. Personnel travel unnecessarily I think from one end of the country to the other by air or by train with all the facilities that the railways offer to travellers by train these days available to them. I am not complaining about that because when we send our young men across the country for training in the army, navy or air force I think they are entitled to as comfortable a trip as we ourselves like to have when we move from one end of the country to the other. But I am convinced that if the house could go into the expenditures of this and some other departments we could effect very considerable savings and economies.

Consequently let it not be said that in criticizing the proposal made by the hon. member for Greenwood (Mr. Macdonnell) or the proposal ruled out of order this afternoon I am in any way condoning any of the extravagances I am convinced could be discovered if this house constituted itself in a manner that would enable it to inquire into these expenditures very carefully indeed. We of the opposition, of course, have to take some blame ourselves. We have not endeavoured to have one of the standing committees of the house meet and function as it was intended to function. I refer to the public accounts committee. I do not think there has been a meeting of that committee this session. In my view that is rather scandalous, but I am not blaming the government alone for that. I think we of the opposition are equally to blame with the government if the public accounts committee does not sit and does not function properly. This afternoon and again

this evening mention was made of the Canadian Broadcasting Corporation and the necessity of inquiring into the expenditures of that organization. We get that opportunity almost every session. Almost every session a committee is set up. One was set up this session. What are the terms of reference? The terms of reference are that the report of the broadcasting corporation shall be referred to this committee for examination. The report of the broadcasting corporation, which includes a financial report, is sent to that committee.

What has that committee become? It has become an avenue of propaganda for the private broadcasting stations in this country. Almost the whole time of that committee is occupied in listening to criticism of the C.B.C. from the point of view of the private broadcasting companies or listening to propagandists for the Canadian association of broadcasters, the private organizations. That has been true over the years. If we on this side of the house are going to complain about alleged extravagances within the C.B.C., then let us indulge in a little self-examination to ascertain whether or not we have accepted the opportunities presented to us for an examination of the expenditures of the Canadian Broadcasting Corporation.

The same is true, of course, of many other organizations, organizations which, as the Leader of the Opposition said this afternoon, were established by Conservatives. If there has been any lack of investigation into some of the financial operations of the government, then, as I said before, we of the opposition parties share a responsibility because we have not pressed adequately for the functioning of the public accounts committee. We share responsibility because, when the reports of the broadcasting corporation or some other corporation have been referred to a special committee, instead of going into the financial affairs of the organization most of the time has been spent in propaganda discussions as to whether or not the corporation should lose some of its powers and whether private interests should obtain greater privileges in that connection.

I am not going to criticize government expenditures except on the ground on which I have already criticized them, namely that I think there are extravagances and that sufficient economies are not effected by the government. I do not go along with the idea that government expenditures, because they are government expenditures, are inflationary. As a matter of fact, I would take the opposite position. I would say that if the government taxes the people of the country then they deny to the people of the country demands that might lead to scarcities and inflated prices. We in this country are being very heavily taxed now. Secondly, if the government borrows from the savings of the people, and does not go to the Bank of Canada as in effect we did during wartime when such expenditures were inflationary, then that is actually deflationary because we are taking from the people by way of a loan the savings that they might otherwise spend in seeking consumable goods. If that money were spent in that form, it might conceivably lead to competition for commodities which would increase prices and bring about inflationary conditions. I am not, therefore, criticizing from that point of view. I take the opposite point of view in this respect.

I want to reiterate what I said at the beginning. I am convinced in my own mind that if this house functioned as it should, if the committees functioned as they should, and if we were permitted to look into some of the departments of government where expenditures are mainly confidential and where many of the activities are classified or secret, we could effect considerable economies in those departments. As I said at the beginning, I have particularly in mind the one department which we cannot investigate fully, the Department of National Defence. I quite agree with the Leader of the Opposition when he says that accounts for telegrams and telephone calls and so forth are out of all proportion. As a matter of fact today I can mail a letter from this House of Commons at noon, and it will reach my own constituency nearly 2,000 miles away the next day.

Mr. McIlraith: That is the post office.

Mr. Coldwell: The Acting Postmaster General (Mr. Pickersgill) takes a bow. I do not believe he has anything to bow about. If he were on his job he would canvass the government departments to see that they spent more money on air mail and less on telephones and telegrams. I do not believe my hon. friend has anything to bow about in that regard. It always amazes me that something this parliament does—and it was this parliament which authorized the all-up carriage of first class mail, this parliament did it and not the Postmaster General (Mr. Cote) or the Acting Postmaster General or the government—

Mr. Sinclair: On the recommendation of the government.

Mr. Coldwell: It was this parliament that authorized the doing of this particular thing. The government recommended it but that does not say—

Mr. Pickersgill: And the hon. gentleman opposed it.

Mr. Sinclair: The Liberal majority put it through.

Mr. Coldwell: I did not oppose it. I am one of the "hon. gentlemen opposite", and I did not oppose it.

Mr. Pickersgill: Did you not oppose the Postmaster General's bill last year?

Mr. Coldwell: That was concerned with something else, and not the carriage of air mail. Sometimes it seems that hon. members will take a vote or a speech by a member on this side of the house and twist it around to suit their own convenience. I think that is what the Acting Postmaster General is trying to do now.

Mr. Drew: Let us get our history straight.

Mr. Coldwell: I am not going into the history of anything of that nature because I might make a mistake in the date. I do not want to have to rise tomorrow afternoon and correct an error of that description in *Hansard* because I, too, taught history for quite a long time.

I do not agree with the idea of setting up a commission which in effect would be an abdication by this parliament of its responsibilities and rights. I cannot support that point of view. The time may come when this parliament may become so ineffective that we may have to do something of that sort. But in spite of the fact that, as I fear, and have felt for some time, this parliament has not been functioning as it should function, and moreover that it does not command the respect of the people of Canada that it should command, I do not agree with the idea of setting up a commission. I feel the fact that parliament does not command the respect of the people is not the fault of parliament itself. I feel it is the fault of the electors. If, over the last few years, the electors had sent here a house which was more evenly divided—no matter how divided—

Mr. Dufresne: Had sent a Conservative government.

Mr. Coldwell: As a matter of fact, the best parliament for dealing with problems of this description and other problems in which I ever sat was the parliament from 1945 to 1949, when the government had a relatively small majority. Both the opposition and the government kept on their toes during those four years. That was the best parliament in which I had sat; and this is my fifth parliament. And I say it is not altogether the fault of members of the house, but rather the fault of the people who have made it impossible, because of the smallness of the opposition, for the opposition to function perhaps as it should function.

I think of the manner in which committees are set up. Just look at this house tonight, and it becomes clear that several members are not here. And that is because committees are sitting tonight. One of those committees has been sitting all day—morning, afternoon and evening. Sometimes as many as three or four committees are sitting at the one time.

I would like to see more committees of the house; but that would necessitate a larger representation on the opposition side of the house. Because, while the government has plenty of supporters to fill those committees—and they make sure that they do fill them, in the literal sense—the opposition is in a very different position.

So I say, then, that I am not in favour of abdicating the functions of parliament by setting up a commission. I think what the opposition should be doing—and I am talking about all members in the opposition, not just the official opposition—is to demand that the public accounts committee should sit and that it should sit early in the session. I say that there should be sittings of the committees examining reports involving large expenditures, reports like that of the Canadian Broadcasting Corporation, and that such committees should devote more attention to the balance sheets and less to the propaganda involved. And may I say I am very glad to hear someone sitting near me say that they spent more time on the balance sheets this year. I am glad to hear that.

But there are other committees that could be doing the same sort of thing. Let me say in conclusion that I wish to see every extravagance ended. As a matter of fact, if I may pay a compliment, I am thinking of one of the facilities that comes under the direction of Mr. Speaker himself. I have in mind the reading rooms of the Senate and the House of Commons and the great quantities of journals that come to those libraries and to the various departments of government. After careful study these have been cut down, more or less on the recommendation of Mr. Speaker himself, although I know that our committee did approve the recommendation.

True, that is a small saving; but there are major savings many times as great that could be undertaken if a thorough review were made by the house of the expenditures of the various departments. I would like to see this parliament function as a parliament should function, and one of the first duties of parliament is to examine carefully expenditures of government.

Up to the present time how many estimates have we had before the House of Commons? There have been very few indeed. We have not had, for example, the estimates of the Department of National Revenue, nor have we had the estimates of the Department of National Defence. We are at the present time considering in the standing committee the estimates of the Department of External Affairs, but we have not begun to examine defence expenditures.

Beginning next Monday we are to have morning sittings, which means that the government hopes that within four or five weeks we may prorogue. Yet up to this time we have only begun one of the major functions of parliament, namely the careful examination of past expenditures and those for the current fiscal year.

And so, while I am not in favour of adopting the American plan, because American plans do not suit parliamentary institutions of the commonwealth, I am very much in favour of doing everything the house can do to curtail expenditures when they are extravagant. Because an expenditure which is not extravagant, an expenditure efficiently made, is often worth while.

An hon. Member: How do you know?

Mr. Coldwell: I said that an expenditure that is not extravagant is worth while.

An hon. Member: How do you know?

Mr. Coldwell: Well, I would want to examine it. I am not even saying that I would know it was worth while. I have simply stated the fact that a worth-while expenditure is not an extravagance. In making that statement I am not judging as to what is or is not worth while. I am stating what, in Euclid, we called a self-evident truth.

Mr. Drew: *Res ipsa loquitur.*

Mr. Coldwell: And so, Mr. Speaker, I leave the matter with the house. I, personally, shall not support the amendment because I believe we cannot abdicate the responsibility the people of Canada have imposed upon us as members of parliament.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, I intend to take only a moment or two in this debate. There are one or two things I would like to say in support of the amendment, because I feel it is both sensible and sound. I do not think the proposal is suitable only to Americans just because the government of the United States has adopted it. Certainly there are many large businesses in Canada, which have, at one stage or another, called in efficiency experts to see whether a job is being done well.

The Hoover commission in the United States did an exceptionally good job for the Eisenhower government. They showed where literally millions of dollars could be saved. I see no reason whatever why, if a similar commission were set up in Canada, it also could not recommend many savings the government could make.

The hon. member for Rosetown-Biggar (Mr. Coldwell) has suggested that the scrutinizing of expenditures is a duty of members of parliament, and particularly of opposition members. Of course it is; but government has grown so tremendously in recent years that it is physically impossible for opposition members to scrutinize these expenditures with the necessary care.

This year we have been sitting since early in January. I wish to point out that the estimates of only three departments, totalling $189 million, have been passed. This means that we still have $4·3 billion to pass within the next three or four weeks. I say that rushing through the estimates at the last moment is not good enough. But I do not think it is necessarily the fault of opposition members. I give the government credit this year for having set up the estimates committee, to which three departments were referred. I think that committee did excellent work, but I believe it is only a beginning. The government should go much farther. Perhaps it would not be presumptuous on my part to suggest that next year every department of government should be referred to one standing committee or another.

For instance, finance, national revenue and trade and commerce could go to the standing committee on banking and commerce. Perhaps agriculture and immigration could go to the standing committee on agriculture and colonization. Perhaps defence, defence production and veterans affairs could go to a special defence committee. Then, labour estimates could go to the committee on industrial relations, those of the Department of Transport to the committee on railways, canals and telegraph lines. The estimates of the Department of Fisheries could go to the standing committee on marine and fisheries, and so on.

In other words, in my opinion, the estimates for every department of government should go to one standing committee or another for scrutiny before they are brought to the house. Moreover, I believe that every crown corporation owned by the government of Canada, should come before one standing

committee or another. At the moment I am thinking of organizations such as the Bank of Canada, the Polymer Corporation, Crown Assets Disposal Corporation, Canadian Arsenals, the Canadian farm loan board, Central Mortgage and Housing Corporation, the printing bureau, Canadian government elevators, and so on.

Most of those organizations have not been before any parliamentary committee in the ten years I have been here. I do not think that is an efficient way for the government to run the people's business. If the estimates were referred early next session, as soon as the debate in reply is concluded, they could be given a much more thorough scrutiny.

Another point which I desire to make is that the opposition, which is so divided and weak at the moment, should be given experts to help them look over these various accounts. I do not think it would cost the taxpayers of Canada very much money to hire eight or ten economic experts to help us on the various committees to expertly scrutinize the estimates. I am sure such an expenditure would be returned many times over.

But even if the government adopted these proposals, I imagine there is still room for a commission such as the Hoover commission. Members simply have not the time, they have not the facilities, they have not the technical experience required to go over estimates thoroughly. I say that they would be helped in their duty by the kind of commission which is suggested in this particular amendment.

I wonder if there is an hon. member who thinks that in the expenditure of $4,500,000,000 there are not places where there is waste and extravagance. I know that there are some members of the government who have done their bit in the last year to cut extravagance. I would give the first credit to the Prime Minister (Mr. St. Laurent). There are 22 vacancies in the Senate. He has not filled them. It is a good saving. I suppose it amounts to about $220,000 a year. Including office help, it may amount to $300,000. If further vacancies occur and are not filled, perhaps we can save additional money. I give the Minister of Finance (Mr. Harris) credit for saving fairly substantial sums. He cut down on the C.B.C. foreign service by about $500,000; he reduced the grain subsidy $1,500,000; the gold subsidy, $4,800,000. He cut down on the maple sugar subsidy, $400,000. He is taking steps in the right direction though I still do not think he has gone far enough. There are a good many other places where we can save money.

Mr. Speaker has done much in effecting savings in these parliament buildings. I have always maintained that here in the nerve centre of government, in these buildings, the taxpayers should be able to expect reasonable economies. Unfortunately there are still a good many departments which are duplicated. I give the Speaker great credit for having amalgamated the post offices of the Senate and the House of Commons. I hope he is going to continue along the same lines with other duplications. There are still about 25 other departments in these very buildings which are duplicates, such as the police forces, the reading rooms, the barber shops, the stenographic pools, the journals offices, the debates offices, and so on. I hope, sir, that you will keep on with the good work you have done, and carry out your job to its logical conclusion. Let me express the hope that the members of the other place will give you every co-operation.

There is one place in particular where I think a committee of the nature suggested by the hon. member who moved this amendment could do very useful work. Over the years our estimate books have contained a great many subsidies. I am quite prepared to admit that once a subsidy is commenced, usually because of an emergency, it is very hard to get rid of it, even if the emergency has ended. There are literally dozens of subsidies in the estimates book. During the supper hour I looked through the various departments, and would like to mention a few. For cold storage warehouses there is a subsidy of $500,000; there is a grain subsidy of $15,500,000; there is a maple sugar subsidy for pails to the amount of $100,000; there is a C.B.C. subsidy to the amount of $18,000,000; there is a coal subsidy of $10,000,00; there is a gold subsidy of $11,000,000; there is a subsidy on government annuities of $1,300,000; there is a butter subsidy of about $1,225,000; there is a subsidy to McGill University for a coal gas turbine of $100,000. Many of these may be useful; many of them are probably desirable.

Some hon. Members: Hear, hear.

Mr. Thatcher: But I do think that once these subsidies have been put on the books, from time to time somebody should review them, and make certain that the original need continues. An outside body, not having to worry about the political results, could go over these subsidies and make recommendations to parliament as to whether or not any could be discontinued, or whether there was room for reduction in some particular item.

Of course, it is too late this session for such a committee to be set up, but I for one wish to join with the mover of this amendment, in hoping that the government will take such action at the next session. It would be sound business practice.

Mr. Roland Michener (St. Paul's): Mr. Speaker, one cannot help but recognize the continuation of that good sense which the hon. member for Moose Jaw-Lake Centre has been showing recently—

Mr. Herridge: In getting fluorescent lighting in his office.

Mr. Michener: —in the remarks which he has just finished, and what I have to say to some extent will parallel what he has already said. The problem before the house is the essential problem of the house in committee of supply, namely, that of seeing that value is received for the dollars that are spent. It has been said that everybody's property is nobody's property. No doubt public property, which is everybody's property, is the responsibility of this House of Commons, and no one wishes to detract from that responsibility. It is clearly recognized. The control of parliament with respect to the purse is clear under our constitutional history, and the control of the purse has been the control of the executive. There is no question of abdication; there is no question of parliament shirking its responsibilities. The question before the house is how that responsibility can best be exercised.

It is true that the ultimate decision and choice rests with parliament; but there are many ways that it performs this function with respect to the purse. What we are considering tonight is an aid to parliament. Parliament has aids which we all know of and use. The Auditor General makes a constant scrutiny of the expenditures of the departments to make sure that they comply with the authority given by parliament for those expenditures in the various votes, and his report is a report to parliament on what he finds.

Then, of course, the house attempts to discharge that responsibility of seeing what value it is getting for the expenditure of the money. As has been pointed out, it is a task that is somewhat beyond the time and capacity of the house as a committee of the whole. Perhaps we have four weeks to go, and the amount that is still to be voted is a large proportion of a very large budget of between $4 billion and $5 billion.

I should like to refer to the assistance that was given to parliament by means of the special estimates committee this year. As I sat on that committee, I think I can properly say that to my mind at least it had the opportunity to inquire in greater detail about the work of the departments which came before the committee, the expenditure of the money which had been voted for those departments, and of the activities and results which arose out of that expenditure. But, as has been said here, the possibilities of that kind of inquiry are limited. One of the greatest limitations is that of party solidarity. In that special estimates committee the opposition are naturally the most critical of the government's expenditures of money, and why should they not be? The government itself is not anxious to bring out of the closet those skeletons that may be there, and therefore they are very careful to keep the door as tightly closed as possible, both in the House of Commons and in these committees.

As I said, the solidarity of the support which the government gets from its own followers is such that the opposition minority in the house or on a committee, while it is ready to work and seek information, is not always successful in getting it. As a matter of fact it is quite the contrary. While the special committee on estimates was a useful inquiry into routine departmental administration, I suggest that it did not fulfil the purpose which is envisaged by this motion.

That purpose is to have an objective inquiry by a non-partisan commission outside of the house, not composed of members of either the government or the opposition but of disinterested experts who would have the right to inquire and to receive information of all kinds which is necessary to come to conclusions and make the recommendations which should be made.

It has been suggested that this is in fact a proposal that parliament abdicate its responsibility. I think what I have said so far indicates my viewpoint on that, that parliament is in no sense abdicating. It retains its ultimate control, but it has need of the various aids and assistance which have been suggested. More particularly it needs the aid of the objective outside inquiry which has been proposed in this motion.

The hon. member for Rosetown-Biggar (Mr. Coldwell) says that we are copying United States precedents which have no application here, which are not needed and which in fact would indicate an abdication by parliament even if in the United States the Hoover commission has been able to perform a useful function. As everyone knows, congress is a good deal more independent of the executive than is parliament. Everyone knows that committees, both of the House of Representatives and of the Senate, exercise very wide powers. Those committees can seek and obtain information. In spite of that framework for inquiry we find that the Hoover commission was able to recommend substantial economies which none of these committees had discovered.

I suggest that the government itself has recognized the virtue of this proposal. It has proposed an inquiry by a commission outside of parliament into the economy of the country. That is no different in kind from what is suggested with respect to the administrative machinery of the government. Further, the government has recognized the virtue of this proposal in part by the inquiries which it has commissioned by private investigators into various departments of government.

Hon. members will recall some of those inquiries. There was the inquiry which was discussed last year into the Post Office Department by a firm of business experts or engineers. There have been a good many inquiries commissioned by the government to assist those public servants who are charged with the administration of departments. Those inquiries have been able to make suggestions for improvement in the methods of administration and for economy.

This is what one would expect would come out of a private inquiry reaching into all departments of government and having a view of the administration of the federal government as a whole. I said that there were some very good reasons why a private view is necessary. In the course of the examination of certain departments this year there were some very notable instances of the overlapping of the functions of civil servants in one department with those of civil servants in another. There is ample scope for the co-ordination of the activities of many departments which cross each other's paths. Therefore it seems to me that an over-all view, which would be an extension to some extent of what the government has been doing already in connection with individual branches or offices or departments, would pay large dividends to the people of Canada in economies and in efficient administration.

Another reason why the suggestion is timely is to be found in the course taken by public finance in this country in the last five years. The predecessor of the present Minister of Finance followed a policy which produced undeclared or unpredicted surpluses, or at least surpluses of undeclared proportions and unpredicted size in each of several years. That method of budgeting was not a deliberate production of surpluses for the purpose of reducing the public debt; at least it was not the avowed production of surpluses to reduce the public debt. If it had been, one could have understood and approved of it as an example of cyclical budgeting on the theory of surpluses in good times with the possibility of deficits in less good times. But that was not the declaration or the admission of the Department of Finance.

So we had in effect large surpluses produced which were not expected and which I think were to some extent embarrassing because they had not been predicted. Of course in circumstances where there is money lying around there is always someone ready to devise a method of spending it or to make use of it for one scheme or another which may be his particular hobby. Civil servants are no different from other people in that respect.

I suggest that the fiscal policy of this country during the last five years, producing as it did unexpectedly large surpluses which were not appropriated for the purpose of debt reduction but which just had to be expended as an unexpected surplus, which had to be spent, meant a debauching of the public service of the country by leaving around too much money for them to expend.

Every man in a job likes to do as well as he can. That often involves the expansion of staff and the increase of functions. The thing snowballs until we have departments which today are spending twenty times what they were spending ten years ago. Many departments have been through an experience of that kind. Many of them not only have had an experience of that kind but they have had the experience of the opportunities that came with war. In the case of those who administered the Department of National Defence, all one had to do was to ask and he would receive. No one questioned expenditures directed to the winning of the war. But that kind of attitude toward public funds which can develop in wartime must be checked eventually. I suggest that the government has never faced that issue and we still have a Department of National Defence which feels that all it has to do is to ask and it will receive.

With that immediate background to public administration in this country, it seems to me that this is a most opportune time to ask for the sort of inquiry which has been suggested. Ordinary expenditures of government have risen from $500 million in 1939 to $2,500 million today, five times what they were a bare sixteen years ago. Taking into account the expansion of the country, the inflation of the dollar and a number of other things, there is still a great deal of inflation in the expenditures of the departments themselves, which deserves inquiry to satisfy the house that it is getting value for its dollar. It is the responsibility of the house to be satisfied. This is a method by which it can be satisfied. It is a means by which the house can more effectively discharge its responsibilities.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, the motion before the house calls for the appointment of a commission—I quote from the motion itself—"with powers to examine into and report upon the organization of the various departments of the Canadian government". If that is all that the motion seeks to accomplish, it certainly does not bear out the intention of those who have spoken so far in respect to government expenditures or extravagances, because it does not refer to extravagance and it does not even refer to expenditures. It has to do with the organization of the various departments of the Canadian government. All that that commission would be in effect is an advisory committee to the Prime Minister, because the Prime Minister is the one who is responsible for the organization of the various departments. He is responsible for the appointment of the various ministers who head those departments, and of course the ministers in turn take the responsibility for the internal organization of the departments over which they are head. So all this motion would accomplish if it passed would be to set up an advisory committee to the Prime Minister giving him advice as to how the various departments should be set up. On that basis, of course, it falls far short of any inquiry in the real sense of the word into extravagance or expenditure and for that reason, I believe, is quite inadequate to the situation which is being discussed.

However, I realize that behind the motion is the intention, as expressed by various members so far, of trying to find out and correct any extravagances which may be found in government. But it should be clearly understood that there is a differentiation between extravagance or waste or inefficiency on the one hand and expenditures as such on the other. The hon. member for Moose Jaw-Lake Centre (Mr. Thatcher), who spoke a few moments ago, did not seem to understand the distinction or did not see fit to state so, because in trying to justify his criticism of inefficiency and extravagance he used examples which had nothing to do with inefficiency and extravagance at all. They had to do with government policy, or rather with policy passed by this parliament. He referred to subsidies, for example, the feed grain subsidy and that on butter. That has nothing whatsoever to do with inefficiency and extravagance; it is the carrying out of a policy laid down by this parliament. The government is doing something which parliament has authorized it to do. It is doing that efficiently. If it is paying out these subsidies in an efficient manner, then there is no extravagance or inefficiency involved at all in the matter. If there is inefficiency in the administration of those subsidies, then to the extent that there is inefficiency there is waste.

But the hon. member for Moose Jaw-Lake Centre was not complaining about any inefficiency; as a matter of fact he was complaining about too much efficiency in the paying out of subsidies, because he wanted the subsidies cut down and he wanted less subsidies paid out. This is rather a strange position to take, because he could have gone on to cite the greatest example of a subsidy in this country, which would eclipse altogether all the little ones he has mentioned. He could have mentioned the Canadian tariff structure, the biggest subsidy in the history of Canada, a subsidy which makes all the other subsidies look like peanuts. It is a subsidy which is the umbrella under which manufacturers have been operating, the chief among the beneficiaries, of course, being the hardware business. If we are going to talk about subsidies as such, we would have to begin with the tariff structure and work our way down to these other things, rather than begin with the little things.

Mr. Thatcher: I would like to see that tariff abolished too.

Mr. Zaplitny: I may have a convert.

An hon. Member: He will be back with you, the first thing you know.

Mr. Zaplitny: Seriously, to come back to the motion itself, it is necessary to differentiate clearly in our minds and in our presentation here between the expenditure as such authorized by parliament on the one hand and waste and extravagance on the other. If we do not do that, we shall leave a false impression in the minds of the public. Statements have been made that parliament is not always looked upon very kindly by the public. Quite often it is parliament that is to blame, not because of the way it carries out its duties but because of what members say about themselves. If we leave the impression that every time we pay a subsidy or make an authorization of expenditure which runs into hundreds of millions, for example, national defence, which runs into billions, we are wasting money and being extravagant, we deserve to be criticized, but we are leaving a false impression. Every expenditure is passed by parliament, and if that expenditure is made efficiently then there is no extravagance involved; it is a simple business operation. But there are legitimate cases of extravagance and waste, and that is what we have to go after.

I can give one example of extravagance of which I would like to hear an explanation

by the Minister of Finance or some other person authorized to give it. For example, recently I received a return in which it is shown that three cabinet ministers have permanent passes on the T.C.A. which permit them to use the facilities of the T.C.A. at any time anywhere. To my way of thinking, in the first place that is quite unnecessary, and in the second place quite unfair. There is no justification for it. If the government can justify that kind of thing, then I should like to hear the explanation. Some may say that after all we are not throwing money away but we are just giving free rides to these ministers, but at the same time it costs money to transport people. There are three cabinet ministers, all of whom, I assume, have expense accounts, and on every legitimate trip they make on government business they are legally permitted to put that down on the expense account and that is paid for. What purpose can be served by giving those three ministers permanent passes which permit them to fly to any part of the world where T.C.A. flies, whether it is on government business or for a fishing trip or any other purpose? It might even be for the purpose of speaking at an election campaign somewhere.

An hon. Member: They would not do anything like that.

Mr. Zaplitny: No, they would not. To my mind that is one type of expenditure which is an extravagance and a waste, for which the taxpayer is paying, and which is absolutely unnecessary and unjustified. There should be an explanation for it. I could give other examples, but our greatest disability lies in what the hon. member for Rosetown-Biggar (Mr. Coldwell), my leader, expressed as the veil of secrecy. It is a serious matter. It is a matter about which a great many taxpayers today are beginning to ask questions, and they are quite justified in asking those questions. For example, when we say we are spending approximately $2 billion a year for national defence they want to know just what we are getting for the $2 billion. They are not saying it is too much or too little. They are in no position to say that any more, if I may be permitted to say so, than we are because we are not able to get the information they want. They want to know, when we authorize an expenditure of $2 billion, how many planes, how many tanks and other types of equipment we are getting for the money, the cost of each unit, where the money is being spent, how it is being spent, and to what extent it is necessary for the defence of Canada.

When we try to get that information we are told that a great deal of it is not available because it is of a secret nature and to reveal it might result in giving information to the enemy. I for one certainly would not advocate anything which would result in any potential enemy of Canada obtaining information it could not get otherwise. But I am afraid that at times we "kid" ourselves if we think that the kind of information we need in order to justify that kind of expenditure is the kind of information that the potential enemy either does not have or cannot get.

When it is a question of the cost of the equipment, the way in which government contracts are granted, the margin of profit on such contracts and so on, these are not matters of a military nature. However, if the government feels some danger is involved in informing members of the House of Commons of the details of national defence I suggest—I for one would be prepared to do this although others may not—the setting up of a committee of the house whose meetings would be held in camera. It could be made perfectly clear that the information would only be revealed in confidence and if the government insisted I would be prepared to take an oath of secrecy with respect to such information as, in the opinion of the government or in my opinion, would be of value to the enemy.

But I am quite satisfied in my own mind that the things we would like to know about expenditures on national defence are not the kind of things that would be of any value to anyone except as information to the Canadian taxpayers. That is one way in which a great deal more of detailed information could be given. Then we as members of the house would be in a position to judge and would be able to inform the taxpayers of Canada whether their money was being efficiently handled.

Another department with respect to which we are under the same disability, and this matter has been mentioned recently on a number of occasions, is the Department of National Revenue. Under the terms of the Financial Administration Act that department is authorized to make refunds or remissions of taxes. I was going to say "kickbacks" but that might be the wrong word. Only recently certain remissions were made to private corporations amounting to approximately $2 million, a considerable amount of money at any time. We have sought to obtain an explanation of the reasoning leading to the making of these remissions which, after all, involved the giving back to private

concerns of money already in the public treasury. But when we get down to the hub of the question we are told that the secrecy provisions of the Income Tax Act do not permit the minister to disclose the information.

Mr. Harris: May I ask a question? I recall the debate on that particular point, and I thought it ended by the Minister of National Revenue (Mr. McCann) saying he would discuss the question on his estimates. I do not recall that he refused the information on the subject of the particular remissions to which my hon. friend has referred.

Mr. Zaplitny: The question was raised in the house more than two months ago and was raised again later. The Minister of National Revenue has had plenty of opportunity to give the information requested to the house but so far he has not done so.

Mr. Harris: He said he would do so on his estimates.

Mr. Zaplitny: The information already asked for has been refused by virtue of the secrecy provisions of the Income Tax Act. The Minister of Finance (Mr. Harris) is partly right when he states that the Minister of National Revenue promised to give an explanation of the particular case to which I referred during the discussion of his estimates, but the minister will recall that previously I asked by way of a return for the correspondence dealing with the dispute between the department and the companies concerned in that case, which is actually the information needed to enable us to pass upon the case and decide whether the money was remitted to these companies in a proper manner. That information was refused by the Minister of National Revenue on the basis of the secrecy provisions of the Income Tax Act—again the veil of secrecy.

These are the kind of things that make it difficult for us to obtain the necessary information in order for us to be able to judge these matters. May I say here that I am not criticizing anyone in particular because I am sure all members of the house, whether on the opposition benches or sitting behind the government, want to have factual information about every dollar that is spent because, after all, it is the taxpayers' money that is being spent. We represent the taxpayers so that we have an inherent right to that information, but we cannot obtain it.

Before leaving this matter there is one thing more I should like to point out. Quite often we talk about inefficiency and extravagance when we speak of government expenditures, and it is quite legitimate to do so. After all, this is the forum of the country. But

I would not want to leave the impression that the only place where there is inefficiency or extravagance in the handling of money is in connection with government expenditures because to do so would be to leave a wrong impression in the public mind. I am quite convinced, and I am sure those who are familiar with private business will agree with me, that in the huge privately owned financial and industrial corporations of this country there is a great deal of extravagance and inefficiency, but because it is not something in which the public are directly interested it is never brought to light. It is also said it is no concern of ours.

For example, if the Ford Motor Company or General Motors wasted $500 million we would say they were wasting their own money so why should we care, but if the government wastes $100 we want to know why. That is perfectly true so far as our direct responsibilities are concerned, but let us not forget we have an indirect responsibility so far as private business is concerned. If a huge corporation, through inefficiency, extravagance or for some other reason, wastes a few million dollars that amount of money must be charged to the consumer who buys their product. This is an indirect form of taxation which every consumer must pay, and therefore I should like to see an inquiry into price spreads which would help to bring to light waste, extravagance and inefficiency in private administration as well as in public administration.

I say that in passing—of course it cannot be done under the terms of this motion—in order to make it clear that when we speak of waste, extravagance and inefficiency in the administration of government we should be careful not to leave the impression that all government administration is wasteful, extravagant or inefficient, because that is not the case. Any government, particularly a government that has been in power too long and has perhaps become a little bit slow at the switch, is in danger of allowing inefficiency and extravagance to creep into its administration.

If members of the house had the opportunity to obtain the kind of information which they want, I think they could pass judgment on government expenditures without the necessity of having any kind of commission. As I said at the beginning, I am not particularly opposed to a commission if it can perform a useful function. But the motion calls for an examination and report upon the organization of the various departments of the Canadian government. In my opinion, that does not begin to touch the question of waste or extravagance. It could,

as is suggested here, add a little to the cost of government because after all the government would have to pay for the commission. In my opinion, that does not fill the bill.

Mr. John B. Hamilton (York West): I should like to approach this problem in a more practical way from the standpoint of the government expenditures that have been referred to in the course of this debate. This afternoon my leader referred at considerable length to the amount of money that has been spent by various departments. Tonight we have had a differentiation made between those types of expenditures which take the form of subsidies and those which might be involved in connection with direct payments to maintain government departments.

I think the last speaker, to a great extent, used the same terms as were used by the *Financial Times* in its issue of about a week ago in discussing an address by Mr. Harvey Perry of the Canadian Tax Foundation. The article reads:

> The conclusion to be drawn from Mr. Perry's review of the tax situation is that we are today merely paying the piper. The people wanted family allowances; and they got them. They wanted old age pensions; and they got them. They may not particularly want defence expenditures; but it is incumbent upon the government to undertake them in the interests of the people.

Now, this type of expenditure is the type that ordinarily we can expect will continue. When we talk about a commission to inquire into the expenditure of government funds, then I think the last speaker made no differentiation between those items in which we may expect economy and those in which we may expect continuing payments, perhaps even on a larger scale. As a matter of fact, it seems that there should be no reason why we cannot approach the business of government in the same manner as any businessman approaches the problems in his own business. I believe that if we referred to the problems which arise in connection with production methods and controls, we could find a very good example to follow in connection with expenditures by government departments.

The practical situation is this. When someone is setting up a production line for a particular product he expects that, with continuing production, he may cut down his over-all cost of production. The larger his production runs the more economies he may expect. Apparently this is not true in connection with government departments because we have seen increasing expenditures far out of proportion to the increase in our population or even in proportion to the decrease, if I might use that term, in the value of our dollar. In looking at some of the figures I might refer to a publication entitled "The National Finances" published by the Canadian Tax Foundation for the year 1954-55. We might take a good look at this to see what is happening in connection with government administration. I shall probably follow the figures through a little more closely than my leader did this afternoon.

In 1939, professional and special services cost this country $4·1 million. Now, I think we could say that since that time our population has increased approximately one-third or even 50 per cent. We might say that professional and special services should now amount to $8·2 million. Then, economists will tell you that your dollar is only worth 50 cents today, so that $16 million might be a reasonable figure to spend on professional and special services under today's conditions in relation to the amount that was spent in 1939. However, we find that this government estimates it will spend $31 million in that category in 1955.

Travelling and removal expenses, if we applied the same principle of allowing for the additional people who must be looked after and doubling the amount to cover the decrease in the value of our dollar, would probably result in an expenditure of approximately $8 million on the basis of the 1939 figure. However, we find that the estimate for 1955 is $15 million. This trend continues right through the list. Telephones, telegrams and other communication services amounted to $700,000 in 1939. It might rise to $2 million under the formula which would relate it to the 1939 figure. Instead, we find it rises to $6·7 million for 1955. Advertising amounted to $1·8 million in 1939. Using the same formula we probably should arrive at a figure of perhaps $3 million. We find that the estimate for 1955 is $8·1 million.

This is a fairly large sum to spend on advertising. As a matter of fact, we have set ourselves up in government at a pretty high price. I have here a list of the amounts spent on advertising by the leading firms in this country. The authority is the Toronto *Star* records department. I find the largest amount spent by any corporation in Canada last year was $688,031. However, we apparently use advertising services in this government to the tune of approximately $8·1 million, perhaps 10 to 12 times as much as the largest corporation in Canada spends on advertising today.

If we apply the production type technique and if we, as an illustration, look at such items as the handling of family allowance cheques we may get some information. It is

true that over a period of time we are going to find the number of cheques that will be handled will perhaps be doubled. I am sure that if the ordinary production line system were used it would not mean that we have to double the number of machines or the number of people who handle those machines. Perhaps 10 machines have been ordered with a certain capital expenditure. If ordinary production line methods are used I think the purchase of an additional two machines and perhaps an increase of 25 per cent in the labour force would produce twice the results. This is the lesson that can be learned from watching industry in action, and it is a lesson that there seems to be no reason to believe could not be applied to government.

Sometimes we ask ourselves, how do these terrific costs arise? In connection with the expenditure of our money on the armed forces, I find that for the current fiscal year approximately 43·9 per cent of the defence dollar is going to be spent on the air force. It is a very worthy branch of the service on which to spend it. We are talking about a lot of money because during the year we will spend on the armed services altogether approximately $1,863 million.

I would refer to the article concerning the Minister of National Defence (Mr. Campney) appearing in the latest issue of *Canadian Business*. Approximately 43 per cent of this money will be spent on the air force. Someone may say, "I wonder how they can waste any money there." Well, the *Globe and Mail* of May 2 contained an article dealing with the answer to a question tabled in the house. It was shown that there were 5,570 air crew applicants for the air force during the year, and that 4,000 of them were rejected. Obviously if this type of recruiting program, whatever it may be, continues, then it can be expected that to recruit 1,570 men it is going to cost many times the amount that should be set aside for that purpose.

These are the things we should look into if we are going to save money—publication costs, and items of that kind. As I said before, I wish to stay clear of other items to which reference has been made from time to time—and I am referring to the payments of various grants through the welfare branches of government.

I could give another illustration, because I have in my hand another of these divorce bills from the other place, the only difference being that this time it would seem that they are going to put them on nice, sugar-coated stock. It is much nicer, and fills more paper. I am sure it does not perform any better service, and that it continues to find its way into the wastepaper baskets of all members.

[Mr. Hamilton (York West).]

These are places where we should look for economy. We could expect economies if an independent commission were set up to take a real look at the situation. I listened to the hon. member for Rosetown-Biggar (Mr. Coldwell) speak about the duties in the house, and the committees to which various items might be referred. Surely after the performance we have had at this session, a performance which at every turn has refused us the information we require, we cannot expect to get economies or to get at the basis for economies in the various government departments through the utilization of that method. As a matter of fact, if that is the type of scrutiny that is to be allowed, then all I can say is that most of us will rot in our places before we will get the information we need.

Some hon. Members: Question.

Mr. George H. Hees (Broadview): Mr. Speaker, may I call it ten o'clock?

Some hon. Members: No.

Mr. Pouliot: We are anxious to hear you.

Mr. Deputy Speaker: Has the hon. member unanimous consent to call it ten o'clock?

Some hon. Members: No.

Mr. Pouliot: I want to hear him at once.

Mr. Hees: Well, Mr. Speaker, I have four minutes before ten o'clock. If you wish me to, and if hon. members wish, I shall proceed for those four minutes. I shall be very glad to do that, and then I shall adjourn the debate at ten o'clock.

I am very flattered that the hon. member for Temiscouata (Mr. Pouliot) just cannot go to bed without hearing my golden words. I will deal him a small hand.

Mr. Pouliot: This is the nicest part of your speech.

Mr. Hees: And may I say I have never heard the hon. member for Temiscouata more eloquent. He is his usual charming and delightful self.

I should like to deal in the time available to me with something said by the hon. member for Dauphin (Mr. Zaplitny) about expenditures to which he objected, involving ministers having passes on Trans-Canada Air Lines. I disagree with him on this. I think ministers of the crown should be allowed to travel on Trans-Canada Air Lines at any time, just as ordinary members of parliament are allowed to travel at any time on the trains. On that subject I have said several times in the house that I object very much

to the fact that members coming from distances more than 500 miles away from Ottawa are not given unlimited passes on Trans-Canada Air Lines. In my case, coming from Toronto, it is very easy for me to get on the train at 11 o'clock on Friday night, to be in Toronto for breakfast in the morning, to leave on Sunday night—

Mr. Sinclair: Whom are you kidding?

Mr. Hees: To leave on Sunday night and—

Mr. Sinclair: Monday night.

Mr. Hees:—to be in here at nine o'clock Monday morning, bright and shining, to grapple with the tasks of parliament. But I really do think that members who come from distances 400 or 500 miles from Ottawa should be given unlimited passes on Trans-Canada Air Lines so that they could travel back and forth as we do. This would make for better parliamentary government. Members would be more readily available to their constituents, and could visit with their families. My wife can go to Toronto and back again at any time, as can the wives living in Quebec or Montreal. But I think it is an unnecessary hardship placed on members who come from great distances—

An hon. Member: Ten o'clock.

Mr. Hees: If you wish to call it ten o'clock, all right.

Mr. Howe (Port Arthur): May I ask the hon. member a question? Does he not think it would be in the interests of economy if the children, as well as the wives of members, had passes?

Mr. Hees: I did not say that I thought the families of members of parliament should have unlimited passes on Trans-Canada Air Lines. I said members of parliament should, if they live more than 400 miles away from Ottawa. I was not referring to the children. It is important that members should be able to travel back and forth to their constituencies, so that they can visit the people they represent, and learn their views. They should be permitted to see their families far more frequently than otherwise is possible.

An hon. Member: Ten o'clock.

Mr. Hees: May I call it ten o'clock?

On motion of Mr. Hees the debate was adjourned.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, June 1, 1955

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

RAILWAYS, CANALS AND TELEGRAPH LINES—ELEVENTH AND TWELFTH REPORTS—CONCURRENCE IN TWELFTH REPORT

Mr. H. B. McCulloch (Pictou) presented the eleventh and twelfth reports of the standing committee on railways, canals and telegraph lines, and moved that the twelfth report be concurred in.

Motion agreed to.

Fifth report of standing committee on banking and commerce.—Mr. Croll.

QUESTIONS

CIVIL DEFENCE—COMPENSATION FOR INJURIES

Mr. Balcom:

Would a civil defence worker, or any other person participating in a civil defence scheme or trial be compensated if injured in the course of his or her duties?

Mr. Robertson: Under agreements entered into by the federal government and the governments of Ontario, British Columbia, Alberta, and Saskatchewan, a civil defence worker in those provinces, that is, any person duly enrolled and registered with the provincial director of civil defence for and while actually engaged in civil defence work, would be compensated for injury in the course of his or her civil defence duties. Persons not so registered would not receive compensation.

Negotiations directed toward execution of federal-provincial compensation agreements are at present under way with the provinces of Nova Scotia, New Brunswick, and Newfoundland.

ST. LAWRENCE SEAWAY—ADDITIONAL EXPENDITURE

Mr. Macdonnell:

How much additional expenditure will the St. Lawrence seaway involve, (a) between lake Ontario and lake Erie; (b) between lake Erie and lake St. Clair; (c) between lake St. Clair and lake Huron; (d) between lake Huron and lake Superior, and who is responsible for the expenditure in each case?

Mr. Langlois (Gaspe):

By the St. Lawrence Seaway Authority Act adopted in 1951, the St. Lawrence seaway authority was incorporated for the purpose of constructing, operating and maintaining all such works as may be necessary to provide and maintain a deep waterway between the port of Montreal and lake Erie. Under present plans the authority expects to expend $2,000,000 between lake Ontario and lake Erie for further dredging in the Welland ship canal.

Though the channels between lake Erie and lake St. Clair, between lake St. Clair and lake Huron, and between lake Huron and lake Superior at present have controlling depths downbound of 25 feet and upbound of 21 feet the St. Lawrence Seaway Authority Act does not extend to those channels in which the dredging has in the past been done generally by the government of the United States. There is legislation pending before the congress of the United States to provide for deepening these channels to a depth of 27 feet.

RHEUMATIC AND ARTHRITIC RESEARCH

Mr. Goode:

What federal moneys were allocated for research on rheumatic and arthritic diseases in Canada (a) 1954; (b) 1955?

Mr. Robertson:

(a) 1954-55, $76,953.25.
(b) 1955-56, $56,872.50.

NATIONAL GALLERY—PAINTINGS PURCHASED

Mr. Murphy (Lambton West):

1. How many paintings have been purchased by or for the national art gallery of Canada in the last 20 years?
2. Who were the artists, what were the names of the pictures and the price paid for same?
3. How many of these paintings have not been shown to the public for a period longer than a few months since their purchase?
4. What were the names of the artists, the names of the paintings and the price paid for these paintings?
5. If paintings were stored in the vault and not shown to the public, what was the reason?

Mr. Pickersgill:

1, 2, 3 and 4.

Because of the present state of the records of the national gallery it would be impossible to give a detailed answer to these questions, without additional clerical assistance, probably for several weeks. It is intended, as and when time permits, with the limited clerical staff of the gallery, to put the records in shape to answer questions similar to these.

Questions

5. The reason many of the paintings are in storage rather than on display is that the space available for the display of paintings is totally inadequate, and that is one reason why the government is taking urgent steps to provide a new building for the national gallery.

COUNTY HEALTH UNITS, ONTARIO

Mr. Henry:

1. Does the federal government assist in the cost of the operation of county health units in the province of Ontario?

2. If so, what units have been assisted and in what amounts since the inauguration of the grants program?

Mr. Robertson:

1. Yes.

2.

Name	Expenditures 1948-55 $	Approvals 1955-56 (to May 18) $
Established under the grants:		
Carleton (a)	41,427	—
Fort William	40,575	—
Huron	177,065	42,777
Kenora-Keewatin	134,488	39,217
Muskoka	105,418	31,958
Simcoe	402,779	109,319
Wellington	190,671	58,384
York	175,405	—
Other:		
Brant county	9,088	—
Bruce county	50,411	24,239
Dufferin	3,313	2,000
Elgin-St. Thomas	45,043	11,619
Halton	74,762	30,431
Kent	19,454	—
Lambton	36,148	9,790
Leeds and Grenville	42,759	16,715
Lennox and Addington	44,203	21,363
Northumberland and Durham	44,135	12,700
Oxford-Ingersoll	20,120	—
Peel county	61,788	10,157
Porcupine	42,216	12,748
Prescott and Russell	9,920	5,510
Prince Edward	41,024	8,919
St. Catharines-Lincoln	104,711	30,738
Temiskaming	61,795	29,280
United counties	2,641	—
Welland	80,099	34,044
East York and Leaside	12,136	8,555
Total	$2,073,594	$550,463

(a) Discontinued in 1949, when the city of Ottawa annexed a large part of its suburban area served by this unit.

[Mr. Pickersgill.]

NATIONAL FILM BOARD—ESKIMO RELIGIOUS LIFE

Mr. Diefenbaker:

1. Did the national film board recently produce a film dealing with the religious life of the Eskimo?

2. If so, what was the name of the film, and what was the total cost thereof?

3. What use has been made of the said film since it was produced?

Mr. Pickersgill:

1. No.

2 and 3. Answered by No. 1.

GUARANTY TRUST COMPANY

Mr. Fulton:

1. Has the Guaranty Trust Company acted as agent for any government department or crown corporation in connection with transactions affecting real estate in the last three years to date?

2. If so, (a) in how many cases and for what department or corporations; (b) what was the value of the property in each case; (c) what was the commission paid in each case?

3. Was the Hon. J. J. McCann a director of this trust company during this period?

Mr. Pinard: May I answer this question orally?

Mr. Fulton: Which question?

Mr. Pinard: Question No. 30 on today's order paper in the name of the hon. member for Kamloops. The information asked for in parts 1 and 2 has just been given in a return I tabled to an order moved by the hon. member for York South (Mr. Noseworthy). The answer to the third part is in the affirmative.

Mr. Speaker: Answered.

SALK VACCINE—SUPPLY OF MONKEYS

Mr. Goode:

Will the minister indicate to the house what steps the government is taking to ensure an adequate supply of monkeys for the production and testing of the Salk vaccine?

Mr. Robertson:

The federal government has taken steps to assure a continuing supply of monkeys required in the production and testing of the Salk polio vaccine. Discussions have been held between officers of the departments of national health and welfare, trade and commerce, external affairs, and agriculture, and of the crown company, the Canadian Commercial Corporation.

Arrangements have now been worked out under which the Canadian Commercial Corporation will act as the purchasing agent for the government of Canada in obtaining monkeys under the terms of an export licence granted by the government of India. Monkeys required for the vaccine production programs

at the Connaught laboratories in Toronto and the institute of microbiology at Montreal, and for the safety testing of the vaccine at the federal laboratory of hygiene in Ottawa, will be bought in this way. The monkeys will, in turn, be purchased through the Canadian Commercial Corporation by the three laboratories concerned, with the cost per monkey pro-rated according to the total cost of the shipment.

This federal government action has been taken to ensure a continuing supply and to meet India's preference for dealing with one agency only. The government of India has been most co-operative in this whole matter.

Full precautions have been taken to safeguard the health of the animals while in transit and to ensure their humane treatment on arrival in Canada. All shipments will be met by veterinary inspectors. Monkeys procured under this arrangement will be used for no other purpose than in the production and testing of the Salk vaccine.

The first shipment of approximately 1,000 monkeys, purchased under the procedure described above, arrived at Malton airport on Monday, May 30.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PORT COLLECTIONS, NOVA SCOTIA

Mr. Purdy:

What was the amount collected for the year ending March 31, 1955, at each port in Nova Scotia, apart from Halifax, by way of (a) side and top wharfage; (b) harbour dues?

Mr. Langlois (Gaspe): Return tabled.

TRANS-CANADA HIGHWAY—MOTELS, ETC.

Mr. Kirk (Antigonish-Guysborough):

1. Has the federal government any regulations in effect respecting the construction and operation on the trans-Canada highway of (a) motels; (b) canteens; (c) billboards?

2. If so, what regulations apply to each of the above?

MOTION FOR PAPERS

POST OFFICE BUILDING, TILLSONBURG, ONT.

Mr. Nesbitt:

For a copy of all correspondence, and other documents exchanged between the government of Canada or any department thereof, and any person or persons, relating to the purchase or acquisition of land and the construction of the post office at Tillsonburg, Ontario.

NATIONAL DEFENCE

H.M.C.S. "ALGONQUIN"—INQUIRY AS TO REPAIRS

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I should like to direct a question to the Minister of National Defence, notice of which I have not been able to give him; perhaps he will take this as notice. Has the minister received protests concerning the transfer of H.M.C.S. *Algonquin* from Halifax, Nova Scotia, to Lauzon, Quebec, for repairs and refitting? Does this represent a change in government practice whereby repairs and refittings which heretofore have been effected in the maritimes, to compensate in some degree for the amount of new construction at other points of ships for use in the maritime provinces, will now be awarded elsewhere? Why did the government divert to privately-owned shipyards work which could be and has been done in publicly-owned shipyards?

Hon. R. O. Campney (Minister of National Defence): Obviously I shall have to take this question as notice.

POLIOMYELITIS

INQUIRY AS TO AMOUNT OF VACCINE AVAILABLE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Minister of National Health and Welfare. In view of the recent shipment of monkeys to Canada, can the minister state whether or not there will be sufficient vaccine for all Canadians this year?

Hon. Paul Martin (Minister of National Health and Welfare): I think I have answered that question three or four times this session. There will not be enough vaccine this year to immunize all the people of Canada.

SUPPLY

The house resumed, from Tuesday, May 31, consideration of the motion of Mr. Harris for committee of supply, and the amendment thereto of Mr. Macdonnell.

GOVERNMENT SERVICES—SUGGESTED NEED FOR ECONOMIES

Mr. George H. Hees (Broadview): Mr. Speaker, speaking in the debate yesterday the hon. member for Rosetown-Biggar (Mr. Coldwell) said he could not support our amendment because he felt that if an independent commission were allowed to survey the operations of government and make recommendations for savings, it would in fact be an abdication by members of parliament of the responsibilities imposed upon us by those who sent us here. The hon. member for Rosetown-Biggar said he felt this should be done by more thorough use of the committees of this house.

There is no doubt that a more thorough use could be made of house committees, and that

expenditures proposed by the government should be thoroughly scrutinized by members of parliament. That is our primary responsibility; but I submit that unless an independent commission or an outside firm of recognized efficiency engineers is allowed to come in to survey the operations of this government and make recommendations for savings, then the operations of this government will not be streamlined and waste and extravagance will not be reduced.

I say that because of the way committees of this house operate. As we all know, every committee has a majority of government members. Take for example a committee examining the expenditures of a department, and they come to the item dealing with telephones and telegraphs. Quite naturally the members of the opposition object strongly to the outlandish expenditure on this account. The minister and the officials of the department defend their position; they say those expenditures are justified. The opposition asks more questions. The minister and the officials give answers of one kind or another. The opposition press their point that these expenditures are unwarranted. The minister and the departmental officials continue to defend their position. Then a motion to reduce the item is brought forward by the opposition; it is voted down by the government majority, the item is passed, and we go on to another item.

So every expenditure is passed by the government majority on the committee, not only for that department, but for every department of this government. I have been here for five years and I have known of only one reduction made in a vote in that time, and that was made only because the government admitted that there had been a bad calculation and agreed to change the vote on that account only.

The amount of taxes which the people of this country are paying unnecessarily every year on account of the inefficient operation of this government is very important indeed. I have risen on the second day of this debate to speak about it, because I feel very keenly about this matter. What we need is either an independent commission or a recognized firm of efficiency engineers to make a survey of the operations of this government and bring in recommendations for savings.

I should like to outline to the house how these efficiency engineers work. They come into a department and spend several weeks or several months, depending on the job to be tackled. They observe the operations of that department, and then discuss those operations with the personnel concerned. They find out why certain things are being done, and how they are being done, and with their experience based on the training they have had in efficiency work, what they have seen of other industries and other similar operations, they do whatever they possibly can to figure out a better and cheaper method of carrying out the operation under scrutiny. At the end of the survey, they make recommendations on how they believe the operations of that department can be streamlined, and they outline specifically what savings could be effected.

Most successful businesses have periodic checks made on their operations by outside firms of efficiency engineers, because they know perfectly well that you cannot count on a department head to make a satisfactory efficiency check on his own department. It just is not human nature to expect a man to criticize his own department, because in effect he is then criticizing himself for allowing outworn systems to operate, and having inefficient personnel working for him.

These surveys usually produce very surprising results for the people who have them undertaken. Those engineers who come into a firm from the outside look on the operations of each department from a clear and unbiased point of view. They are often shocked by operations which appear to those who have worked in a department for a long time to be perfectly commonplace. In these surveys, savings of 10 per cent and more on operating expenses are the order of the day.

Now, let us realize that government is simply the biggest business in the country, and what applies to business with regard to improving efficiency of operation certainly applies to government. From what I have seen of the operations of this government, savings far in excess of 10 per cent of operating expenses could be effected. After all, this government has been operating for 20 years with unchecked inefficiency. Mr. Speaker, if this government had to operate as a business does, it would go bankrupt within six months. There is no doubt about that at all.

Some hon. Members: Oh, oh.

Mr. Hees: In my opinion, Mr. Speaker, if an independent commission or a recognized firm of industrial engineers is permitted by this government to come in and to make a thorough survey of all its operations, savings of many millions of dollars a year can be effected. I say this government owes it to the people of Canada to allow such a survey to be made because in that way, and in that way only, the taxpayers of this country can be relieved of many millions of dollars of unnecessary taxes which they are paying

every year because of the inefficiency of this government, and the waste and extravagance that has been permitted to continue for the last 20 years.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, last night in the house this motion was moved:

this house is of the opinion that consideration should be given to the appointment of a commission of inquiry under part II of the Inquiries Act with powers to examine into and report upon the organization of the various departments of the Canadian government.

At the time my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), took issue with the scope of the suggested inquiry, and I agree with him. Despite all this talk about efficiency engineers I still think members of parliament would be abdicating their duties were they to hand over the task of examination to an outside group who, of course, would then be in receipt of information which up to the present time has been denied to members of parliament.

While I disagree with the contention of the whole resolution, I nevertheless believe it would be highly advisable to have such a commission of inquiry into one department of government, and the department of government I have in mind is the Department of National Revenue. That being so I move, seconded by the hon. member for Mackenzie (Mr. Nicholson):

That the amendment be amended by deleting all the words after the word "organization" and substituting therefor the following words "and conduct of the Department of National Revenue".

It is most unfortunate that the servants of that branch of government who are capable, conscientious and efficient should today be lingering under a sort of stigma caused entirely by the political instincts of the minister in charge of that department. I refer, of course, to what is known in some—

Mr. Speaker: Order. The hon. member has moved, seconded by an hon. member whose name I did not catch—

Mr. Stewart (Winnipeg North): The hon. member for Mackenzie.

Mr. Speaker: He has moved, seconded by the hon. member for Mackenzie:

That the amendment be amended by deleting all the words after the word "organization" and substituting therefor the following words "and conduct of the Department of National Revenue".

As he was pursuing his subject I heard the hon. member mention the political instincts of the minister. I should like to indicate to the hon. member at this moment that he may not, by way of amendment or in the course of this debate, attack the minister personally by referring to his political instincts or otherwise. For his guidance I merely read citation 225 in Beauchesne, third edition, which is as follows:

Certain matters cannot be debated save upon a substantive motion which can be dealt with by amendment or by distinct vote of the house, such as the conduct of the Governor General, the Speaker or Deputy Speaker, members of either house of parliament or judges. These questions cannot therefore be discussed by way of amendment nor upon a motion for adjournment by way of standing order 31. For the same reason, no charges of personal character can be raised save upon a distinct and substantive motion to that effect.

Now that the hon. member has the requirements of our rules in mind I shall be very pleased to listen to him.

Mr. Stewart (Winnipeg North): Mr. Speaker, it is not my desire to make any charges against the minister, because I simply do not know what the facts are. Such being the case I am not going to make charges, but I am concerned about the integrity of parliament. I am concerned when something happens that perhaps casts a reflection upon all members of the house, especially in view of the fact that the whole situation could be cleared up very easily.

As far as this one department is concerned, the situation is that there has been some lamentable confusion. We have had the Minister of National Revenue (Mr. McCann) acting as a director of the Guaranty Trust Company, and possibly finding himself at times in a most invidious position. As a director of the trust company it was obviously his duty to protect the interests of the clients of that company. As a director of the company it was his duty to see that those clients paid their legitimate and fair share of estate duties to the government, that and no more; and according to the annual statement of the corporation it was his duty to give advice to clients whenever necessary.

On the other hand the minister found himself in the unfortunate position that, as Minister of National Revenue, he was responsible to the people of Canada and to this house to see that in all cases—

Mr. Speaker: Order. I am sorry to interrupt the hon. member again, but in discussing the dual personality, so to speak, of the present Minister of National Revenue, namely that which concerns whatever positions he may have held in a private capacity and that which concerns his position as Minister of National Revenue, I think the hon. member is dealing with matters of a personal character.

That is precisely the point I was trying to indicate to the hon. member a moment ago. If he wishes to deal with that particular

phase of the matter he will have to do so not by way of an amendment to the amendment we now have before us, nor even by way of an amendment to a supply motion, but will have to do it by way of a substantive motion. A substantive motion is one made independently of any other and which is capable of being amended. It is a distinct motion after notice.

Therefore I would ask the hon. member to confine himself to matters relevant to the organization of the various departments. As far as he is concerned it would be the Department of National Revenue. But if the hon. member were to go beyond that and deal with the position of the Minister of National Revenue and the fact that he may have other positions, the minister would certainly get the attention of the Chair if he were to rise on a question of privilege. If his integrity or personal conduct are to be questioned he is entitled to have these matters debated by way of a distinct substantive motion, and not in this manner by way of an amendment to a supply motion.

Mr. Stewart (Winnipeg North): Mr. Speaker, what I was going to say today was pinpointed at one certain department, and it is quite obvious that if I continue along the line which I have set out to follow I shall be out of order. I am not quarrelling with your decision, but in deference to your wishes I shall now resume my seat.

Mr. Speaker: Is the house ready for the question?

(Translation):

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I have no intention of delaying the business of the house, but I would like to support the amendment moved last night, which truly expresses the wishes of the Leader of the Opposition (Mr. Drew).

In my humble opinion, it is very important that the said royal commission of inquiry be set up, in order to give satisfaction to the Canadian people, who are getting more and more concerned over the present government's exaggerated, not to say extravagant, expenditures.

To those who contend that a royal commission of this type would deprive parliament of its rights and responsibilities, I say that their argument seems to me quite candid, to say the least. It would undoubtedly be to the advantage of the government in power to agree to set up a committee made up of members of this house; but such a committee would be inefficient, since it would have a majority of government members. Information would

[Mr. Speaker.]

be restricted and the door closed on many items which the government has no interest to reveal, as they might be incriminating for the future of the party.

This royal inquiry we are requesting has become not only necessary but indispensable. For the last twenty years, the same political party has managed the affairs of Canada and, owing to the size of its majority, no opposition has been strong enough to call it to account.

When elected by the people, a government is not given a blank cheque which it may use as it likes to the prejudice of the people by whom it was elected.

Some people like to talk about democracy and set great store by its definition. The motion before the house merely aims at forcing the government to act in a truly democratic way.

On the other side of the house, where the same political party has been sitting for twenty years, members have become so familiar with power that—and in this they are definitely wrong—they seem to identify parliament with their party and the taxpayers' money with their own.

Mr. Langlois (Gaspe): You are thinking of Quebec!

Mr. Dufresne: The people from Gaspe are of the same opinion.

Mr. Langlois (Gaspe): You cannot frighten me with your threats.

Mr. Dufresne: The hon. member should watch his step.

This false conception of power must be done away with in favour of an administration based upon the fact that the people are not mere voting machines, but that they are also entitled to an accounting of the money paid in taxes. They want to know whether this hard-earned money which they pay over into the treasury will be spent wisely or extravagantly.

Abuses have been pointed out in several departments and I have no intention of repeating what has already been said.

Let me merely call the government's attention to certain scandals which are daily being brought to my attention in certain arsenals, notably those at Valcartier and Quebec city.

Not that I want to generalize. I believe in the integrity of our people and of those who work for the arsenals. However, I have here revealing documents which provide evidence of a situation that is at best disturbing and which imply that some people take advantage of the influence they enjoy. Goods of all kinds are disappearing from the arsenals and are being converted to the personal use of a few people in key positions.

For some time now, hundreds of workers have been laid off at the arsenals for lack of contracts. Several of them came to see me and wrote to me saying that certain officials are taking advantage of their position. They also made statements which lead me to believe in the dishonesty of some people and in the existence of a well organized network to divert goods belonging to the people of Canada.

Last year, I requested that a royal inquiry be held following a plot which, in fact, led to some convictions. I repeat that request today. That inquiry into the arsenals should be conducted not by people who are interested in shielding a political party or in covering up for certain big shots, but by men with a sense of honour and concern for the interests of the Canadian people.

An hon. Member: As in the inquiry on the Three Rivers bridge.

Mr. Dufresne: In inquiries of that type held so far, it is the small employee who, in most cases, has been caught and convicted, while quite often, once the inquiry is over, the parties really responsible go on with their dirty work.

Mr. Speaker, not long ago, in the vicinity of the arsenals a tragedy took place which was even mentioned in this house. I think it was a result of a notorious bad example. Indeed everybody in and around Quebec city knows, from having seen it with his own eyes, that a number of goods are taken out of the arsenals and that the really guilty parties have not yet been found.

I would like also to draw to the attention of this house other expenses which appear to me utterly out of hand.

At times the government has to inaugurate a new public building, erected here or there in Canada. For that purpose, they muster one of the cabinet ministers and several party members who take this opportunity to deliver full-fledged political speeches—

Mr. Langlois (Gaspe): You certainly have in mind the provincial government, I say!

Mr. Dufresne: If my hon. friend wants to be patient, he will see that it happened in the federal field.

Mr. Langlois (Gaspe): Do you imagine that people will read your speeches?

Mr. Dufresne: Very recently, Mr. Speaker, a train was heading for—

Mr. Richard (St. Maurice-Lafleche): What time was it? Were you there?

Mr. Dufresne: A train was heading for the Saguenay.

Mr. Villeneuve: Sorry, for Lake St. John.

Mr. Dufresne: There was a special car attached to it, carrying a minister and several members of parliament, who were to attend the opening of a public building.

An hon. Member: There is nothing odd in this. It's perfectly in order.

Mr. Dufresne: Now wait, and you will see that the order soon changed to disorder.

Mr. Langlois (Gaspe): The disorder was your election in Quebec West.

Mr. Dufresne: As I was saying, they were going to attend the opening of a public building put up by the Canadian government. Now, it appears that the brakes of this private car used by the minister suddenly failed, as often happens among our friends opposite.

Mr. Langlois (Gaspe): And as it is happening in your case right now.

Mr. Dufresne: I know it hurts, but this time I am not repeating it to praise my friends opposite.

Mr. Langlois (Gaspe): We can do without your praise.

Mr. Villeneuve: Or fulsome flattery.

Mr. Dufresne: Then the brakes of the car in which the minister was travelling failed and crashed into a big locomotive standing in its way, the result being that the private car of the minister, rolling down at high speed, damaged the locomotive to such an extent that it had to be scrapped.

Mr. Gauthier (Portneuf): Or else it was sabotage!

Mr. Langlois (Gaspe): As in the case of the Duplessis bridge.

Mr. Dufresne: And then the car in which the minister and the other members were travelling was also damaged.

Mr. Langlois (Gaspe): Sabotage!

Mr. Habel: In what shape was your own car after the accident?

Mr. Dufresne: The other day, I used a little word which was afterwards ruled to be parliamentary, the word "niaiseux" (ninny). That word was precisely meant to apply to the hon. member for Sudbury who just—

Mr. Langlois (Gaspe): Are you an expert at handing out such certificates?

Mr. Dufresne: He has never spoken anything but nonsense.

Mr. Habel: Mr. Speaker, on a question of privilege. I knew very well that the hon. member for Quebec West did not know his own country. He has just said he had been directing his remarks to the hon. member for Sudbury (Mr. Mitchell). I would remind the hon. member for Quebec West that, instead of boring us with his platitudes, he should be studying—

Mr. Langlois (Gaspe): His geography.

Mr. Habel: —the names of the constituencies which hon. members represent in this house.

Mr. Villeneuve: He does not know his geography.

Mr. Gauthier (Portneuf): He has gone dotty.

Mr. Dufresne: I knew I had said Sudbury when I wanted to say Cochrane. The two are situated in the same mining district. However, it hardly appears to be a matter of great moment. In fact if the hon. member spoke oftener, we would know where he comes from.

Mr. Langlois (Gaspe): As for you, you do too much talking.

Mr. Dufresne: This amounts to saying, Mr. Speaker, that extravagances are taking place in various departments, of which the people should be made aware, since they are the ones who have to foot the bill. Besides, it seems to me that, whatever our political convictions, it is important that we support the motion now before the house so that, once and for all, the people will be informed of what is being done with their money.

I repeat what I said: let there be an end to considering the Canadian people as a voting machine and let them be given an accounting of the billions which they contribute every year to the treasury.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, just a few words to set aright certain facts which have been stated in a rather fancy way by the hon. member for Quebec West (Mr. Dufresne).

Mr. Dufresne: Did it concern the hon. Minister of Northern Affairs and National Resources (Mr. Lesage)?

Mr. Lesage: It did concern the Minister of Northern Affairs and National Resources who, last April, owing to the illness of the Postmaster General (Mr. Cote) represented him at the opening of the new federal building at Roberval, and he did so at the invitation of the chamber of commerce, the mayor and councillors of Roberval.

As has been the practice in the past under similar circumstances—as far as one can remember—the minister used one of the private cars placed at the disposal of members of the cabinet, to travel to Roberval. And, as the parliamentary assistants to the Minister of Public Works (Mr. Bourget) and to the Postmaster General (Mr. Kirk) had been invited to Roberval, they accompanied the minister.

I went, together with these gentlemen, to Roberval where a public building was inaugurated. Contrary to certain customs quite prevalent in the province of Quebec, customs which are observed by members of another political party for which the hon. member for Quebec West shows much sympathy—

Mr. Dufresne: It is the best part of his speech.

Mr. Gauthier (Portneuf): It is surprising that you should realize it.

Mr. Lesage: —I did not make a partisan political speech. Those who were with me did not make any such speech either because the occasion was not suitable. The parish priest of Roberval was there and the respect I have for the representatives of religious authority always prevents me—contrary to some other people—from talking politics in their presence.

In the evening, we came back by motor car from Roberval to Chambord. Immediately upon our arrival at Chambord, we learned that the private car, from which an engine had been uncoupled a few moments earlier, started moving down the sloping siding and was later struck by the train coming from Dolbeau. Obviously, the engine and the private car were damaged.

Mr. Speaker, I rose to set the record straight so that nobody might believe that "order had changed to disorder", as stated by the hon. member for Quebec West.

On the other hand, no wonder that the hon. member for Quebec West resorted to such language, because as soon as he has the opportunity to make insinuations calculated to smear members of the cabinet—

Mr. Dufresne: Mr. Speaker—

Mr. Lesage:—and the members on this side of the house, he does so.

Mr. Dufresne: Mr. Speaker, I raise a question of privilege.

Mr. Lesage: This is a practice scarcely to be tolerated in silence.

Mr. Dufresne: Mr. Speaker, the hon. Minister of Northern Affairs and National Resources suggested just now that I made some insinuations with the intent to smear members of this house. As I never had such intentions, and never used any expression that could smear anyone, I would ask the hon. minister to have the courage to withdraw the unparliamentary expressions he just used.

Mr. Gauthier (Portneuf): How irresponsible!

Mr. Dufresne: The hon. member for Portneuf just saw himself in a looking-glass.

Mr. Speaker: The hon. member for Quebec West made a speech a moment ago in which he made certain charges. The hon. Minister of Northern Affairs and National Resources replied to that speech and said that certain remarks made by the hon. member were insinuations—

Mr. Habel: Hear, hear!

Mr. Speaker:—adding, according to the member for Quebec West, that they were being made "for the purpose of smearing"; however, I did not hear him accuse the hon. member of making insinuations "for the purpose of smearing". I heard the minister say that the hon. member for Quebec West had made insinuations the effect of which was to smear. Now I do not mean this as quibbling. Perhaps I should have referred the member for Quebec West to rule 41 of the standing orders, when he was making his speech. I did not. Nor am I now asking the hon. Minister of Northern Affairs and National Resources, under the same rule, to make a withdrawal. When an hon. member makes a provocative speech, he must necessarily expect a provocative reply. I believe that, all told, the words spoken are about even and that the incident should be considered closed.

Mr. Gauthier (Portneuf): Put on the hat.

Mr. Langlois (Gaspe): Does the hat fit you?

(Text):

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, in rising to support the subamendment which is before the house at the present time I should like to emphasize that the Department of National Revenue is one of the most important departments of government. With this department not being operated in a proper manner other departments of government, especially those concerned with spending, would find their source of revenue dried up. I think on the whole the Department of National Revenue has a good record, but there have been times in Canadian history, and I think the present is such a time, when the people have been annoyed with the veil of secrecy drawn around this department. For more than a month hon. members of this house have been denied legitimate information which they should have as the elected representatives of the people.

It should be noted that a great many individuals and firms perform services for the government in the collecting and remitting to Ottawa of income and corporation taxes, without any compensation for such work. This places a real burden on Canadian business organizations and individuals. If we are to have the continued co-operation of all those performing collection services for the government then the government of Canada, particularly the Minister of National Revenue, must come clean and give a full and frank accounting of the operations of the department.

It is over 20 years since this department was in the public eye to the extent that it is at the moment. On February 5, 1926, the House of Commons adopted unanimously a resolution that a special committee of the house consisting of nine members be appointed forthwith to investigate the administration of the department of customs and excise, as it was then known, and the alleged serious losses to the public treasury because of inefficiency and corruption on the part of officers of the department and others. Later that year, on June 29, 1926, the special committee reported as follows:

> Since the inquiry indicates that the smuggling evils are so extensive and their ramifications so far-reaching that only a portion of the illegal practices have been brought to light, your committee recommends the appointment of a judicial commission with full power to continue and complete investigating the administration of the department of customs and excise and to prosecute all offenders, and that such judicial commission should consist of a judge to be named by the two judges of the Exchequer Court of Canada, said judge acting as a commission, to have all the powers conferred upon such commission under the Public Inquiries Act. The said commission to have powers to make findings and recommendations and to report the same to parliament at the opening of the next session together with the evidence taken before the said commission.

Government Services

In answering a question of mine the Minister of National Revenue pointed out on Monday that the members of that commission were well known citizens. They were Hon. James Thomas Brown of Saskatchewan, who was the chairman; Hon. William Henry Wright, and Hon. Ernest Roy. Counsel were Hon. N. W. Rowell; Mr. R. L. Calder; Mr. R. B. Law and Mr. Gordon Lindsay. The cost of the commission was $375,716.65, but I think most Canadians will agree that the money was very well spent.

The commission reported certain information which certainly was disturbing, to say the least. At that time, as now, the government was insisting that there was nothing to worry about, that the department was above reproach. I find that there was a good deal of information regarding operations in my own part of the country. Apparently quite an extensive illegal liquor industry flourished. Reference was made to the Prairie Drug Company and Regina Wine and Spirit, Limited, which apparently did quite a sizeable business. They bottled, labelled and sold liquors on a wholesale scale without a licence, contrary to sections 187 and 196 of the Excise Act and in violation of the provisions of the Food and Drugs Act. They applied false trade marks and false descriptions to such goods. Those two companies apparently had receipts from sales from July, 1920, to December, 1921, of over $2 million.

Then reference was made to another group of companies. I am not going to mention any names, as I do not know how many of these people are still living. I am sure their names would be familiar to many people in western Canada. They operated Canada Drugs Limited, Yorkton Distributors, Dominion Distributors, Gainsborough Liquors Limited, Gainsborough Liquor Company, Atlas Shipping Company and Atlantic Import Company Limited. I might mention that I am reading from interim reports Nos. 1 to 10, royal commission on customs and excise. This document is marked confidential, but since it is found in the library of parliament and was produced as a result of the expenditure of over $375,000 I hope I am not running any risk in referring to it.

Canada Drugs Limited did a really worthwhile business. They imported from the United States about 300,000 gallons of alcohol, brought it to Yorkton, had it compounded and bottled and labelled the compound as Scotch whisky with labels not approved by the department according to the Excise Act, thus giving a false description of the contents therein.

[Mr. Nicholson.]

Gainsborough Liquors Limited and Gainsborough Liquor Company also did quite a business. Both these companies were located in the constituency of the hon. member for Assiniboia (Mr. Argue) but he would not be aware that 20 years ago two such influential companies operated in this small town of Gainsborough, near the United States border. The report states that it was alleged by Inspector Knowles—not the hon. member for Winnipeg North Centre—that on more than one occasion he had been offered a bribe to disregard his duties and desist from further interference with the operations of the firms or syndicates. This is to be found on page 54 of this report.

Then we have reference to Consolidated Distilleries Limited of Montreal and Wiser's Distillery Limited. The report states as follows:

> The evidence shows that practically all of said goods were entered for export at customs and ostensibly shipped to points in Mexico and Central and South America but that the names of the consignees entered at customs were fictitious; that the liquors were not landed at the points designated in the export entries but, on the contrary, were largely disposed of off the coast of the United States to be smuggled into the United States and to some extent were apparently delivered off the coast of Canada and smuggled back into Canada.
>
> The evidence also shows that false and fraudulent landing certificates were procured with reference to such goods and that such certificates were presented to customs and that on the strength of such certificates, the bonds of the respective distilleries were delivered up and cancelled.

I might mention that one of these two companies, Consolidated Distilleries Limited, owed $973,677.23, and Wiser's Distillery Limited owed $86,078.04.

I am sure that as a result of this royal commission the treasury of Canada benefited very substantially. I have no evidence whatever to indicate that these irregularities are being continued at the present time, but I submit that for the good of democracy and for the sake of the rights of this parliament the Prime Minister should ask for a free vote on this amendment which is before the house.

There are some things in connection with the operation of this department that certainly are not going to be produced to parliament but which would be produced to a commission such as we had in 1926. The questions asked by members on this side of the house since the 24th, 25th or 26th of April regarding the operations of this department of government, without having discussion, concern a matter which members of this house cannot accept without challenge.

I have a few clippings from newspapers. I am not going to mention them, but newspapers from coast to coast are disturbed

because the Prime Minister of Canada has refused to discuss the details which members of the opposition have insisted should be made public. The Minister of National Revenue remained silent when a few days ago the hon. member for Prince Albert (Mr. Diefenbaker), and the hon. member for Winnipeg North Centre (Mr. Knowles) asked for photostatic copies of documents in the possession of the Department of National Revenue concerning advances or payments made or given by John T. Drohan, since deceased, to James Dempsey some time during the year 1951, which photostatic copies were shown by the Minister of National Revenue to the premier of Ontario on or about April 26 or 27 last.

I submit, Mr. Speaker, that there is no good reason why a department of government cannot comply with such a reasonable request. In one of the two morning newspapers which reach us in time for breakfast I find that Arthur Blakely, commenting in "Ottawa Day by Day" says, "Reports current on parliament hill—"

Mr. Speaker: Order. The hon. member is reflecting upon a vote that was taken in this house. A motion was moved for the production of papers and, as was of course the right of the minister, the motion was opposed and the house decided by a vote that the motion should be defeated. Now the hon. member should not comment upon a vote of the house which has already been taken.

Mr. Nicholson: I apologize for referring to it, Mr. Speaker, but perhaps I might mention that in this morning's *Globe and Mail* Harvey Hickey has a dispatch referring to the questions being asked by the hon. member for Kamloops. These questions are on the order paper. He wants certain information which I believe could be given without violating any of the laws of the country.

Mr. Harris: It has not been refused, has it?

Mr. Nicholson: It has not been refused, but for all—

Mr. McCann: As a matter of privilege, that question was answered today.

Mr. Speaker: Besides the fact the minister has just mentioned, that the question was answered today, I believe by the Secretary of State, I should like to point out to the hon. member that we are dealing with an amendment that has to do not with the methods which may be employed by members to obtain information from the government, which are threefold, as he knows—that is, either by question, notice of motion for production of papers or a committee—but with an amendment to which he has seconded a subamendment having to do with an inquiry under part II of the Inquiries Act. The investigation which by the amendment is proposed be conducted is that the commissioners shall have the authority to report upon the management and business or any part of the business of such department, either on the inside or outside services thereof, and the conduct of any person in such services in so far as it relates to his official duties. That is the character of the investigation contemplated in the amendment. I should like the hon. member to make his remarks relevant to that type of investigation.

Mr. Nicholson: Thank you, Mr. Speaker. I was in the process of concluding very shortly. It seems to me that it is not going to be possible for members of parliament to get the information regarding the operations of the Department of National Revenue that we believe we should have. I might refer to the question of income taxes. Those of us who come from Saskatchewan know that our people in Saskatchewan have been paying income taxes on a very generous scale. The last time I had occasion to refer—

Mr. Speaker: I do not know how I can make myself clearer than I have. If I have not made myself clear, I am sorry; but did the hon. member understand what I said a moment ago, that he should deal with the type of investigation which is contemplated by the amendment, into the state and management of the business of a department which is mentioned in the subamendment?

Mr. Nicholson: Mr. Speaker, that is exactly what I was discussing, the operation of this department in connection with the practice of collecting income tax in different parts of Canada, so that people in all sections of the country would be treated in exactly the same manner. I submit that the practice that has been followed by this department in collecting income tax from farmers is one of the fields that should be investigated. If I am not in order in discussing that I shall refrain from speaking further.

Mr. Speaker: The method of collection is by virtue of an act of parliament. As I understand it, the investigation which is contemplated is not so much to change the methods which are being employed by the department under the act or the regulations under the act, but rather to see how savings could be made with respect to the administration of the department.

The hon. member, as he said, was just about to resume his seat; therefore I shall

not press the point but will let him conclude. What I had in mind was that he should not go into the question as to whether or not it is fair for the department to collect in the way they are doing now, but whether they could save any amount of money by doing it differently.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, the amendment now before the house, which would amend the amendment of yesterday, would read as follows. I should like to quote it in order not to stray away from it, if at all possible.

Mr. Harris: On a point of order, I think my hon. friend has already spoken in this debate.

Mr. Nicholson: Not on this amendment. It is a new amendment.

Mr. Zaplitny: I spoke on the original amendment, not on the subamendment. I quote:

> This house is of the opinion that consideration should be given to the appointment of a commission of inquiry under part II of the Inquiries Act with powers to examine into and report upon the organization and conduct of the Department of National Revenue.

I should like to draw to the attention of the house the fact that one of the reasons we have to resort to an amendment of this nature and a discussion of this kind is precisely because we have failed to obtain the information we have been seeking through various channels in the past few months. As recently as the 25th of May, in speaking to a motion for the production of papers, the Minister of National Revenue gave an explanation of why he would have to oppose the motion. These were the reasons given, and I quote from page 4093 of *Hansard*.

Mr. Speaker: May I interrupt the hon. member?

Mr. Zaplitny: Yes.

Mr. Speaker: I understand what the hon. member's purpose is, or what he has in mind. I fully sympathize with the hon. members who have moved the subamendment and those who have spoken to it. I sympathize with them because they have in mind a certain objective which perhaps they cannot reach by discussing this amendment.

The hon. member for Dauphin has just read the amendment and the subamendment. What he has read has indicated that the amendment has to do with an investigation under part II of the Inquiries Act, and that they do not want to investigate all the departments but want to inquire into the Department of National Revenue. When they say that, they want to discuss—no matter what kind of veil they cover it with—the matter of the Drohan-Dempsey affair, which has been the subject matter of several questions and notices of motions for the production of papers in the past few weeks.

I tell the hon. gentleman that he cannot entertain these matters under the present amendment. He may say the amendment was moved for that purpose. It may have been done for that purpose, but I am sorry to say that he cannot do it. He will have to do it at some other time.

Mr. Zaplitny: Mr. Speaker, if it is not in order to discuss the conduct of the Department of National Revenue with respect to the particular case you have just mentioned, then of course it is not possible to carry out the purpose of this motion. I do not wish to disagree with the Chair at any time, but I fail to see how it would be out of order to discuss something which has to do with the administration of the Department of National Revenue under a motion which calls for an investigation of the operations of that department.

Mr. Speaker: The hon. member may do that, but at the time I interrupted him he was about to read the reasons given by the minister for refusing to produce a document which was asked for in a notice of motion for the production of papers. At that moment he was not dealing with the motion before the house. He was dealing with one of the three methods that are employed by parliament to get information. That is a different matter.

An hon. Member: Carry on.

Mr. Zaplitny: Thank you, Mr. Speaker. That point is quite clear to me now. Without referring to the actual words used, I think I must refer to the fact that we have been seeking information. I think that is the basis of the present discussion. That information has been denied. We are now trying to place before the house a method by which not only the information about which we have been speaking but all other relevant information may be obtained.

One of the things this house has been trying to be informed upon is what did actually take place in relation to this now famous Dempsey case. Since there is no other method of obtaining the answers we want to get, this motion if carried would provide an opportunity not only for the members of this house and for the Canadian public to get the information but would also provide an opportunity for the Department of National Revenue to place before the public and the house all the facts.

Mr. McCann: I rise on a point of privilege, Mr. Speaker. I am sorry, just as you are, that I am denied the right to discuss this matter because of the provisions of secrecy which obtain in the Income Tax Act and the Dominion Succession Duty Act. If I had the right I could unfold to you a story that would raise the hair on your head. But instead of that I am obliged to sit here and be pilloried by people like the hon. member for Dauphin and the hon. member for Moose Mountain, who take the mean advantage of putting on the record newspaper stories which say they are "informed" or "we have been told" and in which I told you upon my word of honour there was not a word of truth. In 20 years in this house I have never heard of anything more despicable than the method which you and your seatmate there took to put this matter on *Hansard*.

Mr. Knight: On a point of order, Mr. Speaker—

Mr. Speaker: Order. I think the expression just used by the minister in qualifying the method used by the hon. member is too strong.

Mr. McCann: I gladly withdraw that word.

Mr. Zaplitny: Mr. Speaker, I am glad the minister has withdrawn that expression, because it certainly was uncalled for. I want to make it quite clear that at no time did I ever pillory the Minister of National Revenue. On the occasion to which he refers, when I placed before the house a quotation from a newspaper and the minister denied it, I accepted his denial immediately. I see no reason why he should use the rather intemperate language he has just used, when all we are trying to do is carry out our duties as members of this house.

While I am on that matter, may I say that the Minister of Agriculture (Mr. Gardiner) made a remark which I did not hear. In case it did not get on the record I would ask him to repeat it.

Mr. Gardiner: I should like you to read into the record the newspaper story of what happened in your office in Manitoba.

Mr. Zaplitny: I shall be glad to do that any time it is in order to do so.

Mr. Gardiner: You are reading into the record now something that is not in order.

Mr. Zaplitny: I invite the Minister of Agriculture, any time he wishes to do so, to come to my office and examine the records and get all the information. I am not going to hide anything behind any veil of secrecy.

Mr. Gardiner: I should like to say to the hon. member that I have not been in the habit of bringing here and reading into the record newspaper stories about anybody. But when my hon. friend gets to his feet to read them about other people, I just say that he ought to read them about his own office.

Mr. Zaplitny: I do not know just what the minister is trying to get at; but if he has any accusations to make he should get to his feet and make them.

Mr. Gardiner: There may not be anything in them at all. I do not know whether there is or not. And you do not know whether there is anything at all in half of what you are reading.

Mr. Stewart (Winnipeg North): Why can we not get an answer? That is all we are asking.

Mr. Zaplitny: I have already said that as to anything I have said in the house with regard to the Minister of National Revenue, when it has been denied in this house I have accepted the denial.

Mr. Gardiner: And you go right on making another one.

Mr. Zaplitny: I have made no accusations whatever. I see no reason why the Minister of Agriculture is getting so touchy about this matter.

An hon. Member: Because he has something to hide.

Mr. Gardiner: I have nothing to hide, and I shall perhaps prove that to the satisfaction of my hon. friend who made the remark before the session is over.

Mr. Zaplitny: If the Minister of Agriculture is through making his speech, perhaps I can carry on with mine. We are simply asking for information that would clear up the confusion which has been created by newspaper stories.

Mr. McCann: By newspaper stories! I challenge you to make one accusation now.

Mr. Stewart (Winnipeg North): We do not want to.

Mr. Speaker: Order. May I ask the hon. member to reflect upon what he is asking at the moment. Does he believe that if there were an investigation under part II of the Inquiries Act he would get the information that he complains about not being able to obtain? He could not get it because the kind of information he is trying to get is information which he must get in one of three ways, namely by asking questions, and I think that has been done; or by moving notices of motions for the production of

papers, and I think that has been done; or by the establishment of committees to investigate certain matters.

The provisions of standing order 51 have been used. There it is provided that motions thus moved are moved without debate, and it is the privilege of cabinet ministers to refuse the production of documents which are considered to be privileged, confidential, reserved or not in the public interest. What the hon. member is doing at the moment is complaining that, by the three methods traditionally afforded by parliament to obtain information from the executive, he has not been able to obtain that information. But if an inquiry were established as provided by the amendment he could not get any more information than he is getting now. Therefore I would ask him again to deal with the subject matter of the amendment and the subamendment.

Mr. Zaplitny: It seems very strange that if somebody breaks the law it is not possible to find who did it through any channels in this parliament. The Minister of National Revenue denies that he has contravened the law, and I accept his statement. Then in another statement he tells the house that he informed the premier of Ontario, subject to an agreement. That was according to his own statement in the house.

Mr. McCann: According to what has been tabled. Why do you put words in my mouth? It is not according to my statement. The agreement has been tabled, and if the hon. member has not looked at it that is his fault.

Mr. Zaplitny: Mr. Speaker, that is exactly what I said.

Mr. McCann: It is not what you said.

Mr. Speaker: Order.

Mr. Zaplitny: If the minister would read his own words be would have no reason to be popping up like that. On the 25th of May the minister stated to the house that under the agreement which has been tabled he gave certain information to the premier of Ontario, who also happens to be the treasurer of that province. That is exactly what I said. I see no reason for the minister to complain.

Mr. McCann: What you say now is correct. What you said before was not.

Mr. Speaker: May I intervene again. I do not have *Hansard* before me, but the hon. member is referring now to the reply made by the minister to the motion for the production of papers which was voted down not very long ago. That matter came before the house. The minister opposed the motion, gave his reasons, as was his right, and the house decided the question. The matter has already been decided. It is clear that the hon. member, by criticizing that vote at the moment, is violating standing order 41 which is to the effect that a member should not reflect upon a vote of the house. The standing order reads in part as follows:

> No member may reflect upon any vote of the house, except for the purpose of moving that such vote be rescinded.

The hon. member cannot do that at the moment, as he is speaking on a subamendment to the motion to go into supply. I know what the hon. members have in mind, but it is through no fault of ours that they cannot do it. There is a motion to go into supply. There is an amendment requiring an investigation to be made under part II of the Inquiries Act. The hon. member is making a speech that is tantamount to criticizing the provisions in our rules for the obtaining of information by the house. It is a different proposition altogether. It is just as if the hon. member was talking about black when he should be talking about white. He is just that far away from the subject.

Mr. Zaplitny: Mr. Speaker, in order to accommodate the house and the Chair I shall not go into the matter any further, because it appears that we simply cannot discuss the subamendment in the way we had intended. I will simply say that if an investigation is made, either as the result of this amendment or of some future motion, I hope it will be made clear at that time who was responsible for the information getting into the newspapers, to which the Minister of National Revenue objects, and which he states was given confidentially to the premier of Ontario as treasurer of that province. If the premier of Ontario was not authorized by law to make that information public, then he was the person who contravened the secrecy provisions of the act. That is something which should be cleared up.

Without going any further into the matter now we shall have to let our amendment stand on its own feet, and I hope the house will see its way clear to carry it.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise for the purpose of referring to the subamendment, which reads as follows:

> That the amendment be amended by deleting all the words after the word "organization" and substituting therefor the following words:
> "and conduct of the Department of National Revenue".

The amendment would then read:

> This house is of the opinion that consideration should be given to the appointment of a commission of inquiry under part II of the Inquiries Act with powers to examine into and report upon the organization and conduct of the Department of National Revenue.

I find it difficult to understand the reasoning of my hon. friends in moving the amendment to the amendment, for yesterday the stand they took was that the amendment moved by the Leader of the Opposition, asking for an investigation of all departments of government and their organization, would constitute an infringement of the rights and prerogatives of parliament. Now my hon. friends turn around and move a subamendment, fatuous in its terms, designed to give reason and responsibility to an investigation in a smaller sense which they say would be contrary to parliamentary procedure if it were extended to the larger field.

I for one do not intend to participate in the controversy that has taken place between the Minister of National Revenue and the hon. gentlemen who have spoken. The great "whodunit" of parliament will remain a mystery, it appears, as to where these photostatic copies came from.

Having said that, I want to deal with the amendment moved by the Leader of the Opposition. I thought in his speech yesterday he covered a field that demands and requires the fullest consideration on the part of the government. I should very much like to hear from the Minister of Finance what possible objection the government can have to setting up an investigation, as asked for by the Leader of the Opposition, whose only purpose will be to recommend economies consistent with government policy and in effect do that which the war expenditures committee did during the days of the war, when it investigated the various departments connected with defence and, having investigated them, arrived at recommendations as to savings that could thereby be effected.

Strangely enough, however, the attitude of the government seems to be that all is well. They seem to regard millions as trifles, to use the expression of Carlyle Allison of the Winnipeg *Tribune*. Certainly today parliament cannot discharge the responsibility of examining into the expenditures made by the various departments of government. I believe that a careful examination of expenditures would provide a fertile field for savings. As far as the house is concerned it has neither the time nor the facilities necessary to make the kind of meticulous examination that is required to bring about the savings that could apparently be made on every hand.

While in no way departing from the terms of the amendment moved by the hon. member for Greenwood, may I say I have often thought that the services of members of the house could be used to a greater degree than they are used today. In my opinion if a committee of the House of Commons were set up, representative of the businessmen in the house, and they sat down and examined one department each year, the savings that could be thereby effected could run into the tens of millions of dollars.

You ask what kind of committee do I have in mind, what members. I think of hon. members who are not members of the cabinet. I think of the hon. member for Perth (Mr. Monteith), a man of great business experience. I think of the hon. member for York East (Mr. McGregor), the hon. member for Welland (Mr. McMillan), the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher), the hon. member for Waterloo North (Mr. Schneider), and so on. They are men of business knowledge and capacity who have the ability to make recommendations that would be consistent with government policy, while at the same time assuring a reduction in this vast load of expenditure that today continues to multiply and breed almost with the facility of rabbits. On and on this expenditure goes. My hon. friend the Minister of Finance (Mr. Harris), after months of endeavour, has made but simple and few reductions in the colossal load of expenditures.

Mr. Harris: $150 million.

Mr. Diefenbaker: Oh, yes, $150 million—by cutting down defence and by cutting down defence production, because of the eased situation. But for the other departments of government the reduction of expenditures has been, to use a colloquialism, peanuts. It is meaningless. The expenditures of the defence department and the Department of Defence Production have been considerably reduced because of the changing situation in the world today. But, so far as other departments of government are concerned, almost in every case, and certainly in the majority of cases, there is an increase in expenditures this year, as revealed by the estimates placed before parliament.

Mr. Harris: And a net decrease.

Mr. Diefenbaker: Oh, $4 million, I think it is.

Mr. Harris: Yes.

Mr. Diefenbaker: Yes, $4 million out of $2 billion of non-defence expenditures. What a saving! No examination consistent with the magnitude of the problem has been made.

The Hoover commission in the United States—and I am going to refer to it, not by traversing the ground covered by the Leader of the Opposition (Mr. Drew), but in a general way—achieved savings which resulted from a meticulous examination. A few weeks ago the Minister of Finance said, "Well, in the last few days of the session

there is a rush; but it is not really serious. We voted $800 million in the last week of the last session."

Mr. Speaker, that type of examination is meaningless. I have before me the record of what happened at the last four sessions. It shows that on the last day of the 1954 session $60 million was passed.

Mr. Harris: Why did you not take longer, if you wanted to?

Mr. Diefenbaker: He says, "Why did you not take longer?" That, of course, is the usual answer.

Mr. Harris: And a good answer.

Mr. Diefenbaker: Why did you not bring it on earlier? You had the Governor General waiting outside—one does not usually in debate make reference to the Governor General, but you had him waiting outside—ready to prorogue parliament. That is why we did not take longer.

Mr. Harris: Nonsense.

Mr. Diefenbaker: But this year we intend to cover these estimates as thoroughly as we can, realizing at the same time the deficiency in examination which results from two things. The first of these is failure on the part of the government to answer. There was an example this afternoon of a question asked and unanswered, and which I mentioned at the beginning of my remarks. That is the kind of attitude we see on the part of the government—a refusal to answer ordinary and simple questions. The question I asked the Minister of National Revenue (Mr. McCann) was this: Where did you get the photostatic copy? No answer has been given. It is not an answer requiring any knowledge of law.

Then, I ask other questions of various ministers, and invariably a similar type of answer is received, when it suits the minister in question to give that kind of answer.

In 1953, on the last day of the session, $150 million was voted. In 1952, we see, $100 million was voted on the last day, and in 1951 the amount of $200 million. The minister says, "Why do you not stay longer?" I say to him that I hope there will be a reorganization by the government of the manner in which it presents these estimates to parliament, so as to enable a fuller and more complete examination.

What did the Hoover commission do? Yesterday the Leader of the Opposition referred to some of its activities and some of the results of its work. We read in the New York *Times* of May 21 that Clarence Francis, chairman of the citizens' committee for the Hoover report, a committee to which I intend to refer in a moment—

> —predicted yesterday that if all its recommendations were promptly adopted the federal budget could be balanced overnight. He said also that its proposed elimination of waste and confusion in government could eventually reduce the national tax burden by 15 to 20 per cent.

Then he went on to deal with the first Hoover report of five years ago, and said:

> The first Hoover report five years ago cost the government $2 million and has produced savings of at least $1,200 million a year in governmental economies.

That is not an estimate by some fly-by-night individual. That is the estimate of a man who is the chairman of this citizens' committee for the Hoover report. He sets out in detail the manner in which those savings had been effected.

Do not hon. members feel that an inquiry of the kind asked for here would have a good field in which to work, if it were to look into the printing bureau, this golden elephant that has been so many years in construction and, so far, has cost $12 million? Is that not a field for investigation, to determine the whys and the wherefors, the reasons why construction has taken so long, what work is being done, how much is being spent for machinery, and what the total cost will be, before the final completion? That is an example. Then there was another example in that massive building built by the mortgage corporation, the building with all the modern conveniences. Certainly the places that are to house institutions of parliament should be in keeping with the general surroundings. But luxuries such as that are unnecessary and unjustifiable at this time.

As the Leader of the Opposition said yesterday, the Hoover commission's aim was to promote economies, efficiency and improvement in the prosecution of the public business, and it recruited the task force to which the Leader of the Opposition referred, and which I shall not repeat at this time.

What did it find? It found in every department it examined that there were savings, great or small, that could be made. It found that there was waste, and that the waste was in the nature of Lilliputian threads that finally bound Gulliver, that destroyed efficiency in government. It found that there was red tape which undermined and overlapped departments, and that there was duplication which resulted in needless expense. All of this took place in the matter of a very few years.

So successful was this commission that was started during the time of the presidency of President Truman, a Democratic president,

that it was continued under President Eisenhower, and a second commission was set up.

Let me read some of the reports—and let me say I have read every one of them. There are a thousand pages of reports, and they are worth studying. It took a great deal of time to read them. In some instances, for one not trained in finance, they are difficult to understand. However, they do deal with subjects such as foreign affairs, national security organizations, labour, agriculture, finance, commerce, social security, public welfare, Indian affairs, the post office, independent regulatory commissions, transportation, and government in business. They point out the trend in the United States, one that is taking place here in Canada. They point out the ramifications of public enterprise to an extent that could never have been possible had it not been for two wars in one generation. They speak of it as creeping socialism. Having regard to the extent to which there has been an expansion in this country of public enterprise, in some cases in competition with private enterprise, we have achieved in this country galloping socialism, and within the last few years, through the establishment of government boards and public corporations.

The second commission which was set up in 1954 has given reports so far in 1955 on surplus property, food and clothing, lending agencies, federal medical services, personnel and civil service, legal procedure, business enterprises of government and natural resources. My hon. friends say that this would contradict the principles of parliamentary government. At the same time they say they intend to set up a commission that is to investigate Canada's economy 25 or 30 years from now. Let us have an inquiry such as is asked for by the hon. member for Greenwood in order to bring about savings. If they are even partially commensurate with those achieved by the Hoover commission in the United States they will run into hundreds of millions of dollars in the course of a year from now. But something more is needed than a Hoover commission, as they found in the United States. They set up the Hoover commission and it went to work on its task forces. Then, throughout the length and breadth of the United States, outstanding leaders in finance, in business, in agriculture, in the labour unions and in the fields of national research formed themselves into a non-profit organization in order to assist in the implementation of the Hoover report. In other words, what they said they wanted to do without regard to party or political considerations of any kind was to do away with the pork barrel pressure groups and substitute the cracker barrel pressure groups of thrift in every part of the nation.

These people joined together and met regularly, and in the various states in which they lived they did their part to help the federal government resist the inroads of those who forever are demanding extra expenditures, thereby piling up an ever-increasing load of expenditures in the land. The citizens' committee for the Hoover report really put the United States back to school to study citizenship. I do not know how many of my hon. friends have read these reports, but from time to time they issue a book entitled "Status of the Hoover Report". It is published by the citizens' committee for the Hoover report, an organization of public-spirited Americans, who, in many communities in which they live, set up organizations to recommend to the government reductions in expenditures. Three hundred of these organizations have been set up in the United States. Through books, pamphlets, speeches, meetings and television, they have aroused the people in the United States to the need of a great effort in a great crusade to reduce unnecessary government expenditures. They were thanked by Mr. Hoover. Their motto is to make citizenship effective. In March, 1952, when he met them, Mr. Hoover said this:

> You have given the nation about the widest education in civil government that it has had since the constitution was under debate.

All over the United States there are groups of individuals who are constantly on the alert vigilantly recommending savings to be effected. Their slogan is: "Better government at a better price." I can think of no better slogan for Canadians today in a similar organization. Better government at a better price by bringing into effect within this country, under the leadership of the Minister of Finance (Mr. Harris), and of the Prime Minister (Mr. St. Laurent), similar organizations everywhere, which would bring about a state of mind on the part of the public against waste and extravagance, which would assure reductions of unnecessary expenditures and consequent reductions in taxation as well.

When the organization started in the United States, people said: "Oh, you cannot do that. After all, how are you going to mobilize the heart of the citizenry in the United States in behalf of something positive like that?" But they did. The recommendations —and I have a list of them here which are pages in length—have been carried into effect throughout the nation. When they started in they found the same attitude of cynicism. After all, people say, you cannot do this kind

of thing, but that committee, after operating for two years, was able to say: We have helped to reverse the trend of cynicism, frustration and indifference with which far too many people were coming to regard the unbridled growth of big government. The Leader of the Opposition (Mr. Drew) used the expression "big government" yesterday. This group of citizens in the United States, backed by the will of the government in power that was prepared to take assistance in the setting up of the non-partisan commission under former president Hoover, achieved what was believed to be impossible.

They are able to say today: In the first five years we have saved at the rate of $1,200 million a year; and those savings will be increased in the days ahead, because they believe that every dollar that is wasted is a gift to the enemies of freedom. They believe that a crusade such as they are carrying out will in the end do away with extravagance and waste. The experience of the Hoover commission can be pointed to as an example of what can be done elsewhere.

The Leader of the Opposition mentioned paper work. Well, we sometimes talk about red tape and governments having quadrupled work. Beyond that, I do not know what it is; it becomes governmental. But the fact remains that those investigators in the United States found that business was even worse in the keeping of unnecessary copies and the multiplication of duplications and triplications. As a result of the recommendations made in this one particular they found in 1954 that in the disposal of unnecessary documents the photostating of documents of government departments was sent to a central photostatic organization set up for the purpose. In 1954, $34,175,000 was saved on that one matter alone. I only hope that the experience of recent days indicates that this course is going to be followed by the government of Canada.

As far as letter writing is concerned, they found that it has multiplied per civil servant 9 times over what it was 43 years ago. They found that they could streamline correspondence. They found an effective saving in one office in Baltimore alone in that direction of $157,000 a year. They consolidated forms; they effected simplication. They did away with unnecessary records, and they say that when they are through with the organization they will in that one field save $250 million a year out of a total expenditure of some $4 billion.

Now, I suggest that on the basis of the experience in the United States this country is entitled to something more than a cavalier brush-aside of the suggestion made by the Leader of the Opposition and by the hon. member for Greenwood.

Travelling expenses were mentioned. Well, we often talk about the money that we make on the Trans-Canada Air Lines. A year ago they had a surplus of $600,000. How many people realize that two years ago those who travelled from the armed forces on the T.C.A. had a larger expenditure than the surplus during the year? That is just one way of taking from one and handing to another. Certainly travelling expenses in the United States came down when travelling by those in authority in the armed forces, in the civil service, yes, in the government, found that that luxury was going to be examined and that unnecessary travelling, however interesting to the individual, was to be curtailed.

Then a word about paper work, and I am not going into the particulars in this connection. It was found that every filing cabinet of old documents that was retained cost $29 a year in office space. They were able to effect very large savings proportionately to the total expenditures by the means I mentioned a moment ago.

I do not intend to say more at this time. I rose to support the amendment of the hon. member for Greenwood and to ask the government whether it is not time to act and act effectively on a matter so necessary to the economic life of this nation. For as our taxes go up our industrial production finds itself unable to compete in the markets of the world. On that basis alone, aside from any other demands for economy, I ask the government to give consideration to the request that action be taken.

My hon. friend mentioned the publicity department. What should be done in the case of these publicity departments is to take an axe and just cut out most of what is being done. Instead of the torrents of adulation put out by publicity departments, it would save Canada millions if these bodies would simply say of the government: "Great is Diana of the Ephesians."

Mr. G. W. McLeod (Okanagan-Revelstoke): Mr. Speaker, in the space of a few minutes I want to say a few words on behalf of this group in connection with the request that has been made for an inquiry into the operation of one of the branches of this government. We do not believe that this is a proper approach to the question of the high cost of government. We do not feel that a single department should be made the target in an inquiry of this type.

On the other hand we believe that there is room for doubt as to whether or not the

business of this country is being handled efficiently. I think we all agree that the government of Canada is big business and in the operation of big business I submit that it is sound common sense and good business practice to examine periodically the conduct of such business for possible inefficiency.

We are not laying any charges against this government, but we do believe there is room for economy. We believe that this government is well aware of the fact that there is a growing feeling of alarm among the taxpayers of Canada that the costs of government are mounting so steadily. We would suggest that it would allay these fears if the conduct of the business of the government of Canada were investigated by a commission of experts. We believe that it would be a smart move on the part of this government to announce the appointment of such a commission and to lay before it the problem of bringing in a report on the conduct of the business of government and of crown companies and to make recommendations for economies that might be effected in government under good business practices.

If the government has nothing to hide it should welcome such an inquiry and if mispractices are found by the commission they should be brought out in the open in the interests of Canadians.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I rise only because of something that appears in the press today which I think supports with still greater force the request that has been made for the setting up of a task force of the kind appointed in the United States and known as the Hoover commission. As the hon. member for Prince Albert (Mr. Diefenbaker) has pointed out already, the absurdity of the subamendment is indicated by the position which is taken by the group bringing it forward that it is contrary to the principles of responsible government to inquire into departments by means of a commission of this kind and yet they find it quite acceptable to have the same kind of inquiry made into a single department.

Certainly we are not going to vote for the limitation of the inquiry. By their subamendment the members of the C.C.F. have indicated that the suggested inquiry is a perfectly proper course. There is another reason why we will vote against this subamendment. It is quite obvious that the intention is not to conduct a positive inquiry of the nature we have been proposing but rather to direct the attention of the house to something that can be dealt with more satisfactorily when the estimates of the Department of National Revenue are before this house.

We have indicated that it is our intention to deal with matters which have been raised at that time, and we shall certainly do so. That can be done much more effectively when the minister is called upon to answer than can be done in the manner now proposed.

I would point out also that the subamendment would delay the very thing that hon. members to my left are suggesting they want done. We say that we want this done when the estimates come forward, but if this subamendment were carried we would be denied the opportunity when the estimates came forward to deal with this very subject. Therefore we shall oppose the subamendment.

Something has arisen which brings into even sharper focus the need for an objective examination of the way in which great agencies of government are operated. When the Canadian National Railways were being examined before the railway committee of the house that committee was informed that the Hilton corporation would only manage, not own or control, the Queen Elizabeth hotel in Montreal when it was completed. The impression was left that the Queen Elizabeth hotel, built with the money of Canadian taxpayers, was simply going to be managed by some representative of the Hilton group. Here once again we have a lack of frankness which indicates the need for an examination of all the facts. Today the Canadian Good Roads Association—

Mr. Deputy Speaker: Order. The Leader of the Opposition (Mr. Drew) leaves me in some difficulty in that he has referred to the subamendment moved by the hon. member for Winnipeg North (Mr. Stewart) which limits the amendment moved by the hon. member for Greenwood (Mr. Macdonnell). I feel that the remarks which the Leader of the Opposition has been making and which he evidently wishes to make at this time would be in order under the amendment but I am in some difficulty in that the subamendment uses these words "and the conduct of the Department of National Revenue".

Mr. Drew: Mr. Speaker, I am seeking to show that it would be unsatisfactory to have that limitation and therefore to dispose of the subamendment which would produce the wider result. What has happened is that the Canadian Good Roads Association have today made public the procedure that they found

it necessary to follow in obtaining reservations for accommodation in the Queen Elizabeth hotel in October 1958. They explained that on January 18 of this year H. J. Nevin, the general manager of the Canadian National Railways hotels, tourist and convention department, wrote to say that the Queen Elizabeth would be very much in business for the 1958 date. Then on February 2 the good roads association, in replying to Mr. Nevin's suggestion that they should have their convention at the Queen Elizabeth hotel, asked that convention accommodation for 1,200 delegates be reserved for October 1, 2 and 3, 1958. On February 4 Mr. Nevin replied, and I am quoting from a report in this afternoon's *Journal* of the correspondence which was made public by the Canadian Good Roads Association today:

> I am forwarding your request to the Hilton Hotels International, who, as you no doubt know, will be running the Queen Elizabeth. And as soon as I have been advised of their decision I will get in touch with you.

Then on February 10 Mr. Nevin relayed the reply from New York. Mr. Nevin wrote:

> I am pleased to inform you that the accommodation has been set aside for your convention.

Mr. Speaker, is this not a humiliating position in which we find ourselves? An agency of government is constructing this big hotel with taxpayers' money, or rather with money raised by the agency with the backing and support of the government, and that hotel is then in the first place put under the management of the Hilton group. In effect we are told that we do not have any hotel managers in Canada good enough to run it, although United States hotels constantly come to Canada to get their managers from this country. When we tried to find out what the facts were, the veil of secrecy was thrown over us. Now the veil is moved slightly back, not by the government, not as the result of any opportunity that we are afforded here to obtain information, not because the government has decided that the opposition should have information of this nature, but because the Canadian Good Roads Association has made public correspondence in regard to this matter, and Canadians seeking accommodation in a Canadian hotel have to be told from New York whether we can hold conventions here in this country.

If there were no other single argument than this to demonstrate the need for an objective inquiry as to what is behind this veil of secrecy, this humiliating information that appears in the press today would suffice. We have handed over the control of our largest hotel, without any reason that holds water being given, to a United States organization, which may be a very good organization in its own country but which certainly has nothing to do with Canadian standards or Canadian traditions or our desire to run Canadian hotels in a particular Canadian way. They are the people who not only provide the management but sit in judgment in New York on whether or not we can have accommodations. Of course, one cannot tell. Assume that the National Liberal Federation wanted to hold a convention in the Queen Elizabeth hotel. I wonder how they would like having to ask officials in New York whether the representatives of a party that they still regard as a great party could meet to carry on the ordinary functions of democracy in this country.

This is the kind of thing that will be brought out into the open and examined properly only when we have a task force of highly trained independent men and women who can perform in Canada the same kind of job that has been done so effectively in the United States. Exact figures cannot be given. We are told by such a responsible authority as the New York *Times* that savings to the extent of over $11 billion a year will be made as a result of the combined recommendations of the two Hoover commissions. I am not suggesting for one moment that on a proportionate basis we could effect a saving of over $1 billion a year, but I do say that, on the evidence and on all that we see, there is every reason to believe that the proposal we made for a saving of at least $500 million was indeed a very conservative estimate of what could be done. But there is more than the money saving involved. There is also the question of how these agencies carry on their business. There is also the question of how that fits into our private enterprise economy. There is also the question of whether we are going to sell out the Canadian agencies of government to those whose real interest is in another country, no matter how friendly that country may be.

I have placed this before the house to show why this inquiry should not be limited and why we will vote against the subamendment and why, when that subamendment is out of the way, I certainly hope that the amendment will be supported. If the government should take the rigid attitude that this should be dealt with only as a want of confidence motion, then may I express the hope that, dealing with this on a technical ground as a want of confidence motion, they will not close their ears, and above all their brains, to the compelling evidence we have before

us of the need for an efficient task force to examine the cost of government in this country.

Mr. Deputy Speaker: Is the house ready for the question?

Some hon. Members: Question.

The house divided on the amendment to the amendment (Mr. Stewart, Winnipeg North) which was negatived on the following division:

YEAS

Messrs:

Argue	Johnson (Kindersley)
Barnett	Jones
Bryce	Knight
Bryson	McCullough (Moose Mountain)
Cameron (Nanaimo)	Nicholson
Campbell	Stewart (Winnipeg North)
Castleden	Zaplitny—16.
Coldwell	
Herridge	

NAYS

Messrs:

Aitken, Miss	Follwell
Applewhaite	Fontaine
Arsenault	Forgie
Ashbourne	Fulton
Balcom	Gagnon
Batten	Gardiner
Bell	Gauthier (Lake St. John)
Benidickson	Gauthier (Portneuf)
Bennett, Miss	Gingues
Blackmore	Girard
Blanchette	Gour (Russell)
Boisvert	Gourd (Chapleau)
Bonnier	Green
Boucher	Habel
Bourget	Hahn
Bourque	Hamilton (York West)
Breton	Hanna
Brown (Brantford)	Hardie
Bruneau	Harris
Buchanan	Harrison
Byrne	Hees
Campney	Henderson
Cannon	Holowach
Cardin	Hosking
Caron	Houck
Carrick	Howe (Port Arthur)
Carter	Howe (Wellington-Huron)
Cauchon	Huffman
Cavers	Hunter
Charlton	James
Churchill	Johnston (Bow River)
Cloutier	Jutras
Crestohl	Kickham
Croll	Kirk (Antigonish-Guysborough)
Dechene	Lafontaine
Decore	Langlois (Berthier-Maskinonge-Delanaudiere)
Denis	Langlois (Gaspe)
Deschatelets	Lavigne
Deslieres	Leboe
Diefenbaker	Leduc (Jacques Cartier-Lasalle)
Dinsdale	Leduc (Verdun)
Drew	Legare
Dufresne	Lesage
Dumas	Low
Eudes	Lusby
Eyre	Macdonnell
Fairclough, Mrs.	MacDougall
Fairey	MacEachen
Ferguson	MacKenzie
	MacLean
	MacNaught
	McBain
	McCann
	McCubbin
	McCulloch (Pictou)
	McDonald
	McGregor
	McLeod
	McMillan
	McWilliam
	Mang
	Marler
	Matheson
	Meunier
	Michaud
	Michener
	Mitchell (Sudbury)
	Monette
	Monteith
	Montgomery
	Murphy (Westmorland)
	Nesbitt
	Nickle
	Nixon
	Nowlan
	Patterson
	Perron
	Picard
	Pickersgill
	Pinard
	Pommer
	Poulin
	Power (Quebec South)
	Power (St. John's West)
	Proudfoot
	Purdy
	Quelch
	Richard (Ottawa East)
	Richard (St. Maurice-Lafleche)
	Richardson
	Robertson
	Robichaud
	Robinson (Bruce)
	Robinson (Simcoe East)
	Rochefort
	Rouleau
	St. Laurent
	Schneider
	Shipley, Mrs.
	Simmons
	Sinclair
	Small
	Starr
	Stick
	Stuart (Charlotte)
	Studer
	Thatcher
	Thibault
	Thomas
	Trainor
	Tucker
	Tustin
	Valois
	Villeneuve
	Weaver
	Weselak
	White (Hastings-Frontenac)
	White (Middlesex East)
	White (Waterloo South)
	Winters
	Wylie
	Yuill—171.

Mr. Gillis: I wish to announce I was paired with the Minister of National Health and Welfare (Mr. Martin).

Mr. Speaker: The question is on the amendment.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I do not think that the question should be put and determined without the attention of the house and country being drawn to this further demonstration of the attitude of complete indifference on the part of the government to its responsibility toward parliament. I draw to your attention the fact that so far in this debate, which is now in its second day, not one spokesman for the government, not one government minister, has advanced any reason to the house or to his own colleagues, or indicated in any manner whatsoever, why the motion should not be accepted.

All we have had is a further indication of the attitude of the government that—"It is not necessary for us to say anything. All we have to do is to lay on the whip, and give no explanation to parliament. By the exercise of the whip, and by the dragooning of our party majority, we will defeat the motion, whatever its merits may be".

I point out to you, Mr. Speaker, that, apart from one or two irrelevant and trivial interruptions made by private members, mostly

on the government side—there have been only one or two interruptions made by ministers—there has been no statement by any member of the government, with the exception of that which is found at page 4295 of yesterday's *Hansard* where the Minister of Finance said:

> If I may expedite the business of the house, I would point out to Your Honour that under no circumstances would the government entertain a motion by way of amending the supply motion as other than one of want of confidence.

He was there stating explicitly and clearly to the house and country that the government does not regard it as necessary to give any reasons for rejecting any motion made by the opposition or by anyone else in the house. He is simply saying, "We regard it as a vote of want of confidence. We therefore have to vote against it, whether there is merit in the motion or not". It is an example of an arrogant, autocratic and irresponsible government. It is another example of the way in which the government denies the very principles of responsible government.

This government, whether it realizes it or not, is responsible to the House of Commons. Here is a serious suggestion placed before the house by the official opposition, moved by the financial critic of the official opposition, a motion which most certainly demands from the government some explanation. Because, whether the minister realizes it or not, the people of this country are concerned over the steady increase in expenditures which has been the pattern during the term of office of this government. The people are concerned with the year-by-year increase of expenditures. The people are concerned to see that, as expenditures increase, by the same measure the sense of responsibility of the government appears to decrease.

I do not intend to detain the house very long, because it is not necessary to say much to demonstrate the complete irresponsibility and arrogance of the government. But what does concern me is the ready acquiescence of private members opposite, and their ready submission to the party whip, without a word of explanation from the ministers.

We have in this instance the Minister of Finance. Does the Minister of Finance really believe that the people of this country are—

Mr. Speaker: Order. Does the hon. member for St. Lawrence-St. George wish to ask a question?

Mr. Richardson: I should like to ask the hon. member a question.

Mr. Fulton: I shall accept the question, but I would be much happier if the government itself showed the same sense of interest in parliament as the hon. member has shown.

[Mr. Fulton.]

Mr. Richardson: I was about to ask only a simple question, because the hon. member has referred to private members. I believe his reference entitles me to ask the question. Is it not possible that, after all, we voted the way we did because hon. members on the other side had not made a very good case?

Mr. Fulton: I was prepared to hear that sort of thing from government ministers. However, I would point out that the hon. member has not yet voted on the amendment offered by the official opposition. It appears that he has made up his mind how he is going to vote, without even listening carefully to the arguments. But of course that is typical of what we find; that is typical of the attitude of mind of hon. members supporting the government.

My concern is mainly with members of the government. If it believes in the principle of responsible government and if it believes that it owes a duty to parliament to justify its measures and to justify its attitude in connection with important questions which are raised here, then I submit that it should demonstrate that sense of responsibility by giving some reasons as to why this amendment should be rejected.

I was saying a moment ago that the Minister of Finance, on whose motion this amendment is moved, is asking the House of Commons to go into committee of supply to authorize expenditures for this year. Are we to take it, from the silence of the Minister of Finance, that he believes the people of Canada are willing to vote him this money without any explanation from the government as to the efforts they will make or are making to reduce these expenditures and to keep them to a minimum?

The Minister of Finance has said nothing in the course of this debate; he has merely applied the party whip; he has said, we are not going to give you any explanation or any answer to your criticism or any justification or reason as to why your suggestion should be rejected. The Prime Minister is here. The Prime Minister, as leader of the government, exercises in his person the collective responsibility of his cabinet. I submit in all seriousness that he is under an obligation, either through himself or through one of his cabinet colleagues, to give some reason to the house, not just to the opposition, but to parliament itself, as to why this method of approach, why this commission of inquiry, which has been found to work to such good advantage elsewhere, should not be accepted in Canada.

I do not want to go into too much detail on the merit of the amendment. That has been adequately set out by my colleagues

who have already spoken; but I do point out that the government is not averse to the principle of royal commissions. Notwithstanding the fact that we have in Canada, in the government departments, a civil service of which we can be justly proud which has made and is making a constant study of the economic situation in this country, the government has not felt that it is a denial of the rights of parliament or of responsible government to move to set up a royal commission to survey the economic field in Canada and presumably to bring in recommendations upon which the government will be prepared to act. Because the suggestion comes from themselves, they regard that kind of commission as a proper, a constitutional move to make. Because this suggestion comes from the opposition for this type of commission of inquiry, then, judging by their attitude and by some of the things that were said by the hon. member for Rosetown-Biggar (Mr. Coldwell) last night, which drew applause from the government benches, it is somehow irresponsible and not worthy of consideration.

I suggest through you, sir, to the Prime Minister, and to the Minister of Finance, the people of Canada are not satisfied with the efforts being made by this government, because they see expenditures constantly increasing. If the government is itself unable to do anything to keep expenditures from increasing, then the people would, in my judgment, welcome a commission such as has been suggested, or would at least like to be told through their representatives in parliament why the government feels that such a commission would not produce beneficial results.

The Minister of Finance, the Prime Minister and the Minister of National Revenue are here. One can understand why the last mentioned hon. gentleman might be somewhat reluctant to advance any views at the present time, but nevertheless he is there exercising his share of responsibility. It is most unusual for the Minister of Citizenship and Immigration not to expound his views to the house as to why this suggestion should not be entertained. I can assure the minister that at this time we would be willing to hear from him if he entertains with respect to parliament that sense of responsibility which on other occasions elsewhere he has been so free to indicate he has.

Then, there is the Minister of Transport (Mr. Marler). Has he nothing to say in regard to this matter? Certainly, the organization for which he answers to parliament, namely, the Canadian National Railways, spends a lot of the people's money. There is the Secretary of State (Mr. Pinard). They are all here, Mr. Speaker. There is the Minister of Trade and Commerce (Mr. Howe), the great efficiency expert. Has he nothing to say as to why this amendment should not be accepted? The Minister of Agriculture (Mr. Gardiner) has just come back.

Mr. Gardiner: Has the hon. member not read the budget speech?

Mr. Fulton: The Minister of Agriculture is not usually reluctant to give the house his views, nor is the Minister of Fisheries (Mr. Sinclair). If the Minister of Finance, whose responsibility it is, is so reluctant, will none of those other ministers help him out of the difficult situation? I can understand the reluctance of the Minister of Finance, because, of course, he has no adequate reason. When the Minister of Finance speaks he likes to speak sensibly. He knows that he could not oppose this motion and still be sensible.

Mr. Sinclair: How can you judge?

Mr. Fulton: I do not like to believe that the government has completely abandoned all sense of responsibility to parliament. Therefore, I can only conclude, and I submit that the house and the country, exercising their judgment, can only come to the conclusion that the reason for the governmental silence on this occasion is that they know there is no real substantial answer to the suggestion that has been made. If there is an answer, I challenge the government to give it now and to show some signs of responsibility to parliament.

Mr. Speaker: Is the house ready for the question?

Mr. Macdonnell: Mr. Speaker—

Mr. Sinclair: Rhodes scholar after Rhodes scholar.

Mr. Macdonnell: Mr. Speaker—

Mr. Speaker: I ask the hon. member if he has not already spoken to this amendment, since he moved it?

Mr. Macdonnell: I shall have to wait for the main motion.

The house divided on the amendment (Mr. Macdonnell) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss	Drew
Bell	Dufresne
Bennett, Miss	Fairclough, Mrs.
Blackmore	Ferguson
Charlton	Fulton
Churchill	Gagnon
Diefenbaker	Girard
Dinsdale	Green

Government Services

Hahn
Hamilton (York West)
Hees
Holowach
Howe (Wellington-Huron)
Johnston (Bow River)
Leboe
Low
Macdonnell
MacLean
McBain
McGregor
McLeod
Michener
Monteith
Montgomery
Nesbitt
Nickle
Nowlan
Patterson
Perron
Poulin
Quelch
Small
Starr
Thatcher
Thomas
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Wylie
Yuill—49.

NAYS

Messrs:

Applewhaite
Argue
Arsenault
Ashbourne
Balcom
Barnett
Batten
Benidickson
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brown (Brantford)
Bruneau
Bryce
Bryson
Buchanan
Byrne
Cameron (Nanaimo)
Campbell
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Cloutier
Coldwell
Crestohl
Croll
Dechene
Decore
Denis
Deschatelets
Deslieres
Dumas
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Gardiner
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gillis
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Habel
Hanna
Harris
Harrison
Henderson
Herridge
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnson (Kindersley)
Jones
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Knight
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lavigne
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
McCann
McCubbin
McCulloch (Pictou)
McCullough (Moose Mountain)
McDonald
McMillan
McWilliam
Mang
Marler
Matheson
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nicholson
Nixon
Picard
Pickersgill
Pinard
Pommer
Power (St. John's West)
Proudfoot
Purdy
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Rouleau
St. Laurent
Schneider
Shipley, Mrs.
Simmons
Sinclair
Stewart (Winnipeg North)
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Valois
Villeneuve
Weaver
Weselak
White (Waterloo South)
Winch
Winters
Zaplitny—137.

Motion (Mr. Harris) agreed to and the house went into committee, Mr. Applewhaite in the chair.

DEPARTMENT OF NATIONAL REVENUE

286. General administration, $3,294,791.

Item stands.

DEPARTMENT OF THE SECRETARY OF STATE

420. Departmental administration, $254,215.

Item stands.

DEPARTMENT OF TRADE AND COMMERCE

428. Departmental administration, $636,295.

Item stands.

Progress reported.

CANADA ELECTIONS ACT

AMENDMENTS TO INCREASE SALARY OF CHIEF ELECTORAL OFFICER, ETC.

The house resumed, from Wednesday, May 18, consideration in committee of the following resolution—Mr. Pinard—Mr. Applewhaite in the chair:

That it is expedient to introduce a measure to amend the Canada Elections Act including provision for an increase in the salary of the chief electoral officer.

Mr. Drew: Mr. Chairman, I think it would be appropriate at this point to raise a question in regard to a change that has been made in the act, about which I am sure there is a very real difference of opinion. That is the introduction into the act of a provision that nomination day would be three weeks ahead of election day. There are many very obvious reasons why two weeks is adequate. I would hope that the government would indicate that it would support the change to two weeks instead of three, because that has been our practice for some time.

Mr. St. Laurent: The bill was introduced in the form in which it was reported from the committee, but we have ascertained that there was little consideration to that problem in the committee, and we did not want to

bring in a bill that differed from that recommended by the committee. If it is the desire of the house—I know it is the desire of a large number on this side of the house—that the delay remain at two weeks as it has been heretofore, the government will leave it to the free vote of all members of the house if the suggestion is made that the former delay of two weeks be continued in the amended bill.

Mr. Drew: Then I would take it that the government would give favourable consideration to an amendment.

Mr. St. Laurent: Many members of the government will vote in favour of retaining the 14-day rule, but would not wish to impose a decision contrary to the recommendation of the committee unless it is the free expression of a majority in the house.

Mr. Low: I am very glad to hear the Prime Minister say what he has said, though I was prepared to speak in favour of the retention of the 14-day period as it was in the old act. I do not like section 8 in this amendment of the bill and I certainly give my support to the 14-day period rather than the 21-day period as it is in section 8 of the bill.

Mr. Nicholson: The hon. member for Winnipeg North Centre is unfortunately not here; he is in Winnipeg in connection with some celebration. The last time this matter was before the house he had some interesting comments to make regarding the filing of election expenses required by law after the election is over. I wonder if the minister could make some comment at this stage, keeping in mind the suggestions made by the hon. member for Winnipeg North Centre, indicating whether or not he will be prepared to include in the new act some amendments to the current legislation so that all the candidates in all constituencies of Canada would file returns and that these returns would be made available here, so that some department of government would be responsible for enforcing the law. I notice that among those who failed to report their expenses were several former members of parliament who should not have any excuse for not knowing the law. There were some barristers at law who should not have the excuse that they did not have the necessary education to complete these forms, which are not too complicated.

Hon. Roch Pinard (Secretary of State): Mr. Chairman, my hon. friend is referring to some remarks made by the hon. member for Winnipeg North Centre, in the course of which he expressed the view that the act should deal more specifically with the personal expenses of candidates during elections. At that time he also mentioned the fact that there were a number of candidates who had not filed any return of their election expenses. At the time, I believe, he gave the names of a few of such candidates who have made no returns. I do not want to deal with the problem at length, except possibly to mention this. When reading his remarks afterwards, I find that he mentioned a few Liberal candidates who were defeated and also a few Conservative candidates. In so far as the number of candidates who filed no returns is concerned, I believe he gave the figure of 133, which is correct. And there were also 36 candidates of the C.C.F. party who made no returns after the elections.

An hon. Member: Lack of education, no doubt.

Mr. Pinard: In so far as the suggestion made by my hon. friend is concerned, I would think that this matter should have been submitted to the committee itself, when the question of expenses of candidates came up for discussion. The only change suggested to the act was in section 17 of the act, to increase from $1,000 to $2,000 the amount of expenses allowed to a candidate to be spent by him. It would have been possible at the appropriate time to discuss also the problem to which the hon. member for Winnipeg North Centre gave his attention the other day. In so far as the other suggestion is concerned, as to finding ways and means of forcing candidates, either defeated or elected, to file their returns, I should have thought that this matter also could have been studied better before a committee which is charged with revising the whole act. I do not think that it would be appropriate for the minister—who in this case is simply the spokesman of the chief electoral officer, and is not to direct his actions—to make a suggestion that the act be amended according to the views expressed. I would much prefer to see such a question fully discussed in committee and that suggestions be made by my hon. friend and by all those who, like him and the hon. member for Winnipeg North Centre, hold strong views in that respect. A study by a committee of that question would possibly allow of a better way of putting into effect this suggestion to force candidates to file their election returns, and, if they did not do so, be subject to a penalty.

On the whole I would simply say this. I think it is not an appropriate function of the government to express strong views on matters that affect the conduct of elections. This is a matter that belongs not to a department of government but to every member of

this house; and in my opinion it is more appropriate that questions of that nature be studied in committee so that representatives of all parties may express their views and, in doing so, may have the assistance of the chief electoral officer so as to allow the act to be amended in such a way as to serve the interests of all Canadians.

Resolution reported, read the second time and concurred in.

Mr. Pinard thereupon moved for leave to introduce Bill No. 415, to amend the Canada Elections Act.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Harris: On a point of order, Mr. Speaker, may I say that I know we have not announced any other business for the remainder of the time at our disposal this afternoon. If the house would not have any objection to our doing so, we could call third reading of Bill No. 5, to amend the Prairie Farm Rehabilitation Act, continue with that item and then adjourn even if it goes through almost immediately.

Some hon. Members: Agreed.

Mr. Green: Mr. Speaker, I am not sure whether or not any of our members wish to speak on that third reading. I understood that the minister was going to bring before us resolutions concerning the Canadian National Railways. We are prepared to go on with those if he desires to do so.

Mr. Harris: Mr. Speaker, perhaps there has been a slight misunderstanding. I thought we would be ready to take them but I did not think it would be this afternoon. I thought it would be the first order of business next week, among other things. I think we have a somewhat involved statement about the two Canadian National Railways resolutions. If the house does not wish to go on with the third reading of the bill with respect to P.F.R.A., I move that we adjourn.

Mr. Drew: I think that procedure would be more appropriate because I happen to know that there are some hon. members who wish to speak on this bill and who had no expectation that it was coming before the house this afternoon.

Mr. Harris: Tomorrow, Mr. Speaker, I shall ask leave of the house, on motions, to present four resolutions with respect to the Customs Tariff Act. I shall do that, I hope by leave, and make a short statement explaining the nature of the resolutions. I understand the practice in the past has been to do it in this manner. The resolutions are then printed in the same manner as are the resolutions on the night of the budget address and of course would not be called for discussion for some time until hon. members have an opportunity to look at them.

The first order of business will be in committee of ways and means, taking first the resolution with respect to income tax and the resolution following that with respect to excise.

On motion of Mr. St. Laurent the house adjourned at 5.50 p.m.

HOUSE OF COMMONS

Thursday, June 2, 1955

The house met at 2.30 p.m.

LABOUR CONDITIONS

GUARANTEED ANNUAL WAGE—PASSING OF ORDERS IN COUNCIL

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, on Monday last the hon. member for Comox-Alberni (Mr. Barnett) asked me a question to which I replied at the time. I should like to refer to the question and to my reply. The question was:

> Mr. Speaker, I should like to direct a question to the Minister of Labour, of which I was not able to give him notice. He may wish to take it as notice. My question is, have any orders in council relating to the payment of the guaranteed annual wage been passed? If so, what is the nature of such orders in council?

The reply I gave was:

> The answer is no, Mr. Speaker.

In giving that answer, Mr. Speaker, I understood from the question that my hon. friend was referring to orders in council that may have been passed during the last year or so since the guaranteed annual wage has been very much discussed. In view of the fact that my answer needs amendment, and in view of the discussions on this topic outside the chamber during the last few days, I would ask permission to make a brief statement.

The question of guaranteed annual wage plans is a matter for negotiation between labour and management, and the application of unemployment insurance benefits under any specific contract would have to be judged on the merits of the individual case.

In the newspaper story appearing in the Ottawa *Citizen* of June 1 reference is made to an order in council passed by the government which, in the words of the article referred to, "has only now come to light", the implication perhaps being that the regulation was suppressed in some way. It would appear that Mr. Swanson, who is widely known in this house as a newspaperman of the highest integrity, has received incomplete or inaccurate information on this matter.

Briefly the facts are these. The regulation in question was passed by order in council not in December of last year but on August 14, 1952. Second, there was no secrecy whatever about the order in council, since it was published in the *Canada Gazette* of August 27, 1952 and has since been contained in every edition of the consolidated regulations of the unemployment insurance commission. In addition mention is made of this regulation directly or indirectly in both the employee's handbook and the employer's handbook published by the unemployment insurance commission.

The purpose of the regulation was to enumerate certain types of moneys paid by an employer which would render an employee ineligible for unemployment insurance benefits, such as holiday pay and so on. The reference to the guaranteed annual wage envisaged a situation in which the employer paid full wages to an employee during a period in which he was not actually working. It would obviously be absurd to pay unemployment insurance over and above full pay during a period of idleness.

I might say that this view was fully concurred in by the unemployment insurance advisory committee on July 21, 1952, which was attended by Mr. Percy Bengough representing the Trades and Labour Congress, Mr. S. Wolstein substituting for Mr. George Burt as the representative of the Canadian Congress of Labour, and Mr. Jean Marchand representing the Canadian and Catholic Confederation of Labour.

It should be made clear that all proposed changes in unemployment insurance regulations are discussed fully with representatives of both organized labour and management, and that it is the policy of the government to make no recommendations that will prejudice labour-management negotiations on questions such as the guaranteed annual wage, or on any other matter.

CUSTOMS TARIFF

TABLING OF ADDITIONAL RESOLUTIONS

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, may I table the resolutions to which I referred last evening, and make a short statement about them. These resolutions call for amendments to the Customs Tariff in addition to those amendments proposed in the resolutions which I tabled on the night of the budget. These are not changes in those resolutions but rather further amendments to the Customs Tariff.

The first resolution proposes that the Customs Tariff be amended as of tomorrow

to provide for the application of a special additional duty on imports of goods which have been state-subsidized. It is proposed that when goods of a class or kind made or produced in Canada are being subsidized by a government or government agency abroad an additional duty may be levied on imports of such goods equal to the amount of the subsidy.

Many governments are resorting to subsidies of one sort or another to solve certain domestic economic problems, and such subsidized products are entering international trade at an increasing rate. Such subsidized goods, if imported into Canada, might cause or threaten material injury to established Canadian producers. When our legislation was examined it was apparent that there was no clear authority to levy additional duties as a safeguard against the various forms of subsidy and state trading operations with which we might be confronted. The proposed amendment will give authority to levy an additional duty equal to the estimated amount of subsidy.

As hon. members are aware, we and other contracting parties to the general agreement on tariffs and trade have undertaken to limit the use of anti-subsidy duties. I can assure the house that the government intends to apply these duties in conformity with our international obligations.

The second resolution proposes further amendments to schedule A to the Customs Tariff. Members will recall that in my budget speech I stated that it might be necessary to introduce certain tariff changes later if it was decided to renegotiate certain tariff provisions which had been bound under GATT. The resolution proposes certain tariff changes as a result of renegotiation at Geneva. The main commodities involved are canned fruit and ethylene glycol.

It is proposed that canned fruit mixtures containing peaches, pears or apricots be dutiable at the same rates of duty as would be applicable to those fruits if canned separately. This has the effect of raising the duty on the product commonly known as fruit cocktail from 1 cent per pound under the most-favoured-nation tariff to 2 cents per pound. The most-favoured-nation rate on canned peaches is being reduced from 2½ cents per pound to 2 cents per pound. There will also be a reduction in the rate of duty on the melons covered by tariff item 95a, from 2 cents each to free.

We also recommend that we implement the report of the tariff board on ethylene glycol, which I tabled the night of the budget address. It is proposed to establish a rate of 10 per cent on ethylene glycol and mixtures of ethylene glycol used in antifreeze. Some of these glycol mixtures have been dutiable at 20 per cent and some have been duty free. Along with this adjustment of the rates on ethylene glycol to be used in antifreeze, there will be a reduction of the most-favoured-nation duty from 20 to 15 per cent on the finished antifreeze itself. Ethylene glycol used in explosives will remain duty free.

Our delegation at Geneva negotiated these tariff changes with the delegation of the United States. The rates on canned fruit and ethylene glycol were bound to that country under GATT. Before introducing these tariff changes it was necessary, therefore, to negotiate with the United States. The reduction of the duty on melons, on peaches and on antifreeze are amongst the compensations for the tariff changes on ethylene glycol and canned mixed fruit which we offered to the United States and which they have accepted.

The third of these resolutions proposes that the changes in rates of duty which I have just mentioned should come into force tomorrow.

The fourth resolution proposes that item 1019, which provides for drawback of the duty on bituminous coal for converting into coke for smelting, which was struck out in the budget of 1954, be re-established as of April 7, 1954. This will have the effect of validating coal subventions paid under the Canadian Coal Equality Act of 1930, which, by the terms of that act, depend for their validity upon the existence of item 1019. No change in effective rates of duty on coal is involved, for such coal has been duty free under tariff item 588(d) since the budget of 1952.

Mr. J. M. Macdonnell (Greenwood): Is it clear that the duty on ethylene glycol, as in the case of those previously mentioned, is the result of negotiations at Geneva, and comes with that sanction?

Mr. Harris: Yes, Mr. Speaker.

QUESTIONS

SOURIS, P.E.I.—PROPERTY PURCHASED BY R.C.M.P.

Mr. MacLean:

1. Has a property in the town of Souris, Prince Edward Island, been purchased for use by the Royal Canadian Mounted Police?
2. If so, from whom was the property bought and what was the amount paid?

Mr. Garson:

1. Property measuring 85 feet by 200 feet has been purchased in the town of Souris,

Prince Edward Island, for use by the Royal Canadian Mounted Police.

2. Purchased from Mrs. Edna St. John at a total cost of $2,265.

CANADA—UNITED STATES TRADE

Mr. White (Middlesex East):

1. (a) What manufactured products are admitted to Canada from the United States of America duty free; (b) what manufactured products are admitted to the United States of America from Canada duty free?

2. (a) What natural farm products are admitted to Canada from the United States of America duty free; (b) what natural farm products are admitted to the United States of America from Canada duty free?

3. (a) What processed farm products are admitted to Canada from the United States of America duty free; (b) what processed farm products are admitted to the United States of America from Canada duty free?

4. (a) What primary products other than food products are admitted to Canada from the United States of America duty free; (b) what primary products other than food products are admitted to the United States of America from Canada duty free?

Mr. Harris: Mr. Speaker, if I might speak to this, we can of course provide the hon. member with a consolidation of the Canadian Customs Tariff, which contains several hundred items not classified in the manner he has indicated in his question.

We could, of course, also provide him—by the courtesy of the United States embassy—with a copy of the United States tariff which contains several thousand items not classified in the manner indicated in his question. I regret that I am not able to answer any better than that.

Mr. Speaker: Answered.

BUSINESS OF THE HOUSE

MORNING SITTINGS ON AND AFTER THURSDAY, JUNE 9

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That on and after Monday, June 6, 1955, until the end of the present session, the house shall meet at 11.00 o'clock in the morning of each sitting day, and that in addition to the usual intermission at 6.00 o'clock p.m., there shall also be an intermission every day from 1.00 to 2.30 o'clock p.m.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, it is certainly our wish to facilitate the business of the house in every way this can be done with due regard for the efficient dispatch of public business. I would point out, however, that a number of committees are still sitting, and that they will be sitting in the mornings

next week. If this motion is adopted, it will be a practical impossibility for the members of this house to perform their duties both in the house and on committees in the manner in which public business demands.

This is a situation which should not be accepted by those hon. members who have due regard to the importance of committees. There are certain hon. members who have been suggesting—even within these past few days—that there should be greater vigilance and greater effort on the part of the members of the opposition who sit on the committees. I submit, Mr. Speaker, that there has been as much vigilance as is possible under the restrictions which have been imposed; and most certainly, in some of the committees where it has been possible to examine the facts, excellent work has been done.

I also think it appropriate that I should point out at this time that there has been permitted to be conveyed to the public an impression which is not entirely in keeping with the facts. Comments are made about absenteeism in this house without due regard to the number of committees which have been meeting every day. If it were possible to have a roll call of all members sitting in the house and in committees, at the same time, it would be found that the percentage of members attending to the daily business in this house is much higher than the percentage ordinarily attending to similar business at Westminster at any time.

I mention that fact because I have as high a regard as has any hon. member here for the traditions of the mother of parliaments, the sense of duty displayed there and the dispatch with which public business is transacted. I would remind hon. members here that frequently in a house of some 650 members at Westminster there will be not more than 50 members present dealing with the ordinary debates. That is a much smaller percentage than is ever sitting in this house, because we would not have a quorum if we had as small a percentage as that. I do not say that by way of criticism of Westminster. I say it by way of appropriate explanation of a situation which undoubtedly has been permitted to leave in the minds of many people in Canada an impression which is not consistent with the actual facts of the case.

I think the members of the committees—and I include members on both sides of the house—have been doing their duty in attending those committees. I am not going to introduce in this debate certain comments I might make on other occasions about the way I believe these committees could be operated to better advantage for the dispatch of public

business, but I certainly want to emphasize the fact that those who attend the committees and see what is done there will realize that great effort and preparation are involved.

If we proceed with morning sittings next week while a number of very important committees are still sitting there will then be on the one hand a strain imposed upon members which I do not think is consistent with the good dispatch of business either in the house or in the committees, and on the other hand there will be an impression conveyed by the sparse attendance in the house which will not be consistent with the actual effort being made by the members. There is also the fact that some of the most important business of the year, involving the responsibility of parliament to vote supply in the form of departmental estimates, will not be given the examination it properly should have.

I hope, therefore, the government will consider the points I have put forward and will not seek to commence morning sittings next week, but will postpone them for another week. We are quite ready to take part in morning sittings the moment the major committees have disposed of their business. I do not think it is in the interests of parliament to convey to the public the idea that we are prepared to accept hours which will deny appropriate attention to public business merely in an effort to get out of here by the end of June. If the public business demands that we stay longer, let us stay longer. Let us make sure, however, that we follow a course that is within both the physical and mental capacity of hon. members, having regard to the immense amount of work still before us. Let us also be sure that we do not disregard the impression that would be conveyed by a very sparse attendance while billions of dollars of public funds are being voted.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker—

Some hon. Members: Hear, hear.

Mr. Gillis: —hon. members are having some fun, and I appreciate it as much as they do. The members of this group have discussed this matter. As far as we are concerned we are prepared to sit here as long as is necessary to complete the business of the house.

I cannot agree with the Leader of the Opposition that because committees are sitting we should delay morning sittings one more week. The fact of the matter is that you will find as many committees have been meeting in the afternoon during the past month as will be meeting in the morning during the next week. I do not believe it would make any difference so far as attendance in the house is concerned.

I should like to join with the Leader of the Opposition (Mr. Drew) in the observation he made concerning the wrong impression that is created outside because there is not a 100 per cent attendance in this house. From time to time you see some sections of the press carrying headlines about absenteeism in the House of Commons. Many times visitors in the gallery have asked me, as well as other members, why all the members were not in the house. The impression, of course, is created that members are not here.

It should be recalled that during the session some 25 committees are set up in which we can bring together members regardless of party and take hold of the legislation that comes before us, making a pretty well non-partisan examination of it. Some of the most important work of the house is done through these committees. If you can get a good look at the estimates in these committees you can get an understanding of them.

I am glad the Leader of the Opposition raised the point, because if it were raised by this group it would be said that we were defending absenteeism in industry. Coming from the Leader of the Opposition it is an important observation. We are very glad to join him in trying to clarify that point, at least for the benefit of some sections of the press.

We are quite prepared to support this motion, and if it is necessary to stay here until August the Prime Minister can be assured that we will stay with him. At the same time, we are quite ready to facilitate the work of the house, in conformity with the best examination we can make of the legislation.

Mr. Solon E. Low (Peace River): Speaking for the group in this corner of the house, Mr. Speaker, I would say that we are ready to stay here and apply ourselves to the business of the country just as long as it is necessary to stay. We would not like to have anyone feel we are unduly rushing government business. But if the government feels it is essential and in the interests of good government, and only good government, to have us sit in the mornings, we are prepared to do that.

I feel, however, that the Leader of the Opposition has brought up a very important point. There are still quite a number of committees meeting in the morning, and certainly attendance in the house in the morning will not be very good if those committees should continue to sit and do their work. On the other hand, as the hon. member for Cape Breton South (Mr. Gillis) has so well said, there will be just as much absenteeism in the afternoon if the committee meetings

are held then. Consequently I believe we should leave it with the government to decide what they want to do, and we will support them.

There is one comment I should like to make; that is, if the changes in the rules that have been contemplated for some time could have been brought in earlier, I feel satisfied we would not need to start morning sittings next week. However, we are prepared to go along with the government if they feel, in their wisdom, that we should start morning sittings next week.

Hon. W. E. Harris (Minister of Finance): I want to say a word on this motion. I feel the time has come when we should devote extra time to the business of the house. Whether this can best be done by sitting in the morning or extending the sitting in the evening is a matter of opinion. But I believe, sir, you will recall that a year ago we began morning sittings this week and did not conclude the business until June 26.

I recognize that all the Leader of the Opposition has said is correct, and that special care would have to be taken to see that the committee work and the house business were arranged in such a manner that the opposition would be accommodated and able to have their case placed before the public, either in committee or in the house, by those persons they chose for the particular business in hand. I would think we could do that for the one week he has in mind. If, however, hon. members feel that we can lengthen the sessions in the evenings so we can get in extra time next week, the government would of course consider it.

Mr. Drew: Mr. Speaker, the observations I have made do not require addition as far as the point of view I have expressed is concerned. I would have hoped that we could continue next week on the same basis, in view of the committees that are sitting and the necessity of those committees preparing reports. I say that if it is a choice between morning sittings and extending the time in the evenings, I would certainly favour the addition of another hour in the evenings.

Some hon. Members: No.

Mr. Drew: I gather, Mr. Speaker, that perhaps I am more accustomed to late hours than some of the hon. members who have interjected. For my own part, and speaking without consultation, I would have thought that an extension for the one week might be better than trying to work out morning sittings and have committees at the same time, because of the fact that they will not only be holding meetings but will be preparing reports, which in itself is an arduous and responsible task.

Mr. Harris: Well, sir, if we might have permission to make a compromise I would suggest that we might amend the motion to begin morning sittings on Thursday, and try to clear up as much of the committee work as we can in the meantime.

Some hon. Members: No.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): I wish the minister would not proceed with this compromise. Many of us who come from western Canada have not been home since Easter. We are getting a little tired. We would like to spend longer hours each day finishing our work and then return to our constituencies. As far as I am concerned, we should be sitting Wednesday nights and Saturdays as well.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, may I interject this. I am sick and tired of listening to men from the west insinuate that they are slaves of parliament. Unfortunately, on many occasions members from the east, particularly those from Ontario and Quebec, must go to their constituencies at the request of their constituents. The trip has to be made every week or every second week, back and forth. It takes me 18 hours to go home and 18 hours to come to Ottawa from my constituency. I often envy those gentlemen from the west who sit and loaf over the week ends in Ottawa.

Mr. Claude Richardson (St. Lawrence-St. George): Mr. Speaker, after a bit of hilarity may I ask a very solemn question. I suppose this kind of question could only come from a very simple, unsophisticated freshman like myself. I ask it with great deference of the leader of the house. Would it not be possible to have our committee work begin, not at eleven o'clock or 10.30 in the morning, but at nine o'clock?

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: As amended?

Some hon. Members: No.

Mr. Rowe: As amended.

Mr. Fulton: I understand the leader of the house suggested an amendment.

Some hon. Members: No.

Mr. Speaker: May I tell the hon. gentleman that I heard the suggestion made by the Minister of Finance, but I have not received any amendment. I presume that since he

did not send it to me he has decided not to put his suggestion in the form of a written amendment.

Mr. Rowe: We did not understand that.

Mr. Drew: Mr. Speaker, we have the right to know what is intended to result from the motion. I certainly understood, and I feel sure most hon. members understood, that it was the proposal of the Minister of Finance to defer morning sittings until Thursday of next week.

Some hon. Members: No.

Mr. Drew: That is what he said.

Mr. Harris: Mr. Speaker, what I said was "I am sure by way of a compromise suggestion", and I think I used those words. Apparently it did not receive very much support in the house; therefore I was not going to insist on it. If my hon. friend wants to move an amendment, that will be all right.

Mr. Drew: No, Mr. Speaker. While I feel we could do a very much better job, we have not yet the responsibility of government, and I have no intention of attempting to provide an appropriate peg on which to hang an excuse for any member of the government not doing what he is supposed to do. In this particular case it was quite clearly my understanding that the Minister of Finance suggested that morning sittings be deferred until next Thursday.

Mr. Rowe: And agreed.

Mr. Drew: There was an indication of agreement with that. In view of what I have said I certainly feel that it would not be appropriate to support the motion; and while I need not be reminded that in view of that unanimity which seems commonplace on the other side our opinion probably would not prevail, we definitely would oppose the motion to start morning sittings next week.

Mr. Harris: We do not want any misunderstanding. The government wishes to arrange the business to the satisfaction of all hon. members so we can expedite it and deal with it properly, and at the same time get out of here at about the time all of us would like to leave. The suggestion I made was a sincere one for the purpose of trying to meet the wishes of those who were not too certain of the attitude they ought to take on this motion. If anyone feels that he would prefer to begin morning sittings on Thursday and will say so, I shall make the motion so hon. members may have a vote as between Thursday morning and Monday morning.

Mr. Drew: I have no hesitation in saying, in view of what I have said, that I would prefer to see morning sittings begin on Thursday. Therefore the minister may take it that we would not oppose an amendment to the motion which would start the sittings on Thursday morning.

Mr. Speaker: The motion would then be amended so it would read:

That on and after Thursday, June 9, 1955, until the end of the present session, the house shall meet at 11.00 o'clock in the morning of each sitting day, and that in addition to the usual intermission at 6.00 o'clock p.m., there shall also be an intermission every day from 1.00 to 2.30 o'clock p.m.

Right Hon. L. S. St. Laurent (Prime Minister): As the mover of the original motion I must say that I am glad to accept the suggested amendment, because I do not think this is a matter upon which the house should divide. There are various views as to what would be the best thing to do in the circumstances, and it is not possible to harmonize the divergent views; but it should be possible to arrive at a compromise that would partly meet the views that have been expressed.

If we could arrive at a solution that would not require any division of the house we would be apt to feel better disposed to co-operate with each other to dispose of the business of the house with all due consideration. We would take as much time as was required to deal with it properly, but I think we would be disposed to leave aside anything that it might not be necessary to have stated at too great length for the proper consideration of the matters we will have before us.

I would think hon. members might want to accept this halfway compromise and have our morning sessions commence on Thursday, to continue to the end of the session. We would count upon each other's good will and desire to be co-operative to bring about in a proper way the disposal of the business of the house perhaps as soon as if we started morning sittings on Monday, after a division of the house that left with any the impression that there was not a genuine desire to go along in a co-operative fashion.

Amendment agreed to.

Motion as amended agreed to.

NATIONAL DEFENCE

CONTINENTAL DEFENCE—INQUIRY AS TO SUGGESTED SUPREME COMMAND

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of National Defence based upon a report in the Montreal *Gazette* of today, in which it is stated that

the chief of the air staff in a statement made yesterday in Montreal said that the establishment of one supreme command for the defence of North America is inevitable. May I ask if that is a statement of declared government policy?

Hon. R. O. Campney (Minister of National Defence): No, that is not a declaration of government policy. I interviewed the chief of the air staff this morning, and I understand that the article in the *Gazette* to which the Leader of the Opposition has referred is a synopsis of certain extemporaneous remarks the chief of the air staff made while conducting a group of Canadian and United States aviation writers through some of the installations at air defence command headquarters in Montreal. I understand that he was explaining the co-operation and integration which had taken place as between the air services of the two countries.

He assured me that he was careful to point out in his remarks, which as I say were not printed in full, that he was not making a prediction, that he was simply stating a trend in military thinking and that he recognized that it is not government policy to seek the appointment of a supreme commander. In fact his remarks as printed in the *Gazette* recognized that such a problem is purely a political one.

I may say in relation to this matter that there has been no pressure by our neighbours for such an appointment, and that our relations continue as they were when Secretary of Defence Wilson made a statement, I think it was in January, that we were working closely and harmoniously together and there was no need for any change.

CANADIAN NATIONAL RAILWAYS

QUEEN ELIZABETH HOTEL—REQUEST FOR RECONSIDERATION OF POLICY RE MANAGEMENT

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Transport if he will take steps to repatriate the management of the publicly-owned Queen Elizabeth hotel to Canada from New York; and further if the minister will say whether he proposes to end a humiliating situation which is an insult to the highly qualified men and women who have been trained in Canada for the management of Canadian hotels?

Mr. Speaker: Order. I do not see any urgency in this matter, as I think it is one which could be dealt with when the estimates of the Department of Transport are before the house.

Mr. Drew: Mr. Speaker, before you leave that as a final ruling I would point out that there might well be more urgency in this than in connection with a number of other matters which are dealt with before the orders of the day. We now know that people applying for reservations at the Queen Elizabeth hotel must have them passed upon in New York, and must deal with New York to find out whether they are going to have an opportunity to hold their meetings in a publicly-owned hotel in Canada. I do not think any time should be wasted in having an assurance that this disgraceful situation will be brought to an end.

THE MINISTRY

INQUIRY AS TO STATUS OF CABINET MINISTERS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Prime Minister arising out of the discussion during the last several days as to ministerial responsibility. Constitutionally is a minister in Her Majesty's privy council, or to use the ordinary expression the cabinet, a person employed in the service of Her Majesty?

Right Hon. L. S. St. Laurent (Prime Minister): I think the ministers, both under our statutes and under the traditions of the constitution, are servants of the sovereign.

Mr. Diefenbaker: I thought they were advisers.

Mr. St. Laurent: When we were invited as a special privilege to attend a cabinet meeting at 10 Downing street at the time of the coronation, we received a parchment informing us that the servants of Her Majesty would assemble at 10 Downing street at such and such an hour to deal with Her Majesty's business. I take it that was merely an expression of the constitutional tradition that the public business of the kingdom was the business of the sovereign, which was dealt with by the sovereign's servants whom we refer to as members of the privy council or members of the cabinet.

Mr. E. D. Fulton (Kamloops): Would the Prime Minister perhaps give further consideration to the matter on this basis. He states that constitutionally the position is that they are servants of the crown rather than advisers, as I would have thought them to be. I am not asking for an immediate decision, but I should like the Prime Minister to consider the relationship between that position and the provisions of the Senate and House of Commons Act regarding offices of emolument under the crown. It seems to me

that this is a most important point which should not be decided quickly.

Mr. St. Laurent: Until there was a statutory provision to the contrary, ministers upon accepting offices of emolument under the crown vacated their seats in parliament and had to go back to their constituencies for re-election. That was necessary in recognition of the fact that they were accepting positions of emolument under the crown.

WAYS AND MEANS

The house in committee of ways and means, Mr. Robinson (Simcoe East) in the chair.

INCOME TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and to provide, amongst other things:

1. That for the 1956 and subsequent taxation years each of the graduated rates of tax at present applicable to individuals be reduced by two percentage points, and that for the 1955 taxation year each of the graduated rates of tax at present applicable to individuals be reduced by one percentage point.

2. That with respect to income of corporations earned on and after January 1, 1955, the 47 per cent rate of tax on income in excess of $20,000 be reduced to 45 per cent.

3. That for the 1954 taxation year an individual may deduct from the tax otherwise payable by him the amount of tax on income paid to the government of any province in which he resided, was employed or carried on business, not exceeding 10 per cent of the tax otherwise payable by him.

4. That for the 1955 and 1956 taxation years an individual who resided, was employed or carried on business in a province in which a tax on income was payable to the government of the province may deduct from the tax otherwise payable by him to Canada that proportion of 10 per cent of his tax otherwise payable that his income for the period during which he resided in the province or his income earned in the province is of his whole income.

5. That for the 1955 and subsequent taxation years rental income from real property shall not be included in income to which the additional 4 per cent tax on investment income applies.

6. That the right of an investment company at present to elect as regards its taxable status be repealed and that for the 1955 and subsequent taxation years an investment company be subject to a tax of 20 per cent on its taxable income.

7. That expenses incurred in the 1955 and subsequent taxation years by a taxpayer in the course of issuing or selling shares of its capital stock or in the course of borrowing money used in the taxpayer's business (other than amounts in respect of commissions, bonus payments or discounts) be allowed as a deduction in computing the income of the taxpayer.

8. That for the 1955 and subsequent taxation years proceeds of a sale or realization of inventory or accounts receivable of a taxpayer upon or after selling or ceasing to carry on a business be included in computing income, but that the taxpayer be given the option of paying tax in respect thereof at his average rate of tax for the three taxation years immediately preceding the year in which he sold or ceased to carry on the business.

[Mr. Fulton.]

9. That a corporation resident in Canada that pays a dividend out of its designated surplus to a non-resident corporation or a person exempt from tax, by whom the payer corporation was controlled, be subject to a tax of 15 per cent computed by reference to the amount of the dividend, where control of the payer corporation was acquired after December 31, 1954.

10. That for the 1956 and subsequent taxation years a corporation more than 10 per cent of whose gross revenue was derived from rents, be disqualified from being treated for tax purposes as a non-resident-owned investment corporation.

11. That for the 1956 and subsequent taxation years a corporation any part of whose income was derived from leasing or operating ships or aircraft be disqualified from being treated for tax purposes as a foreign business corporation.

12. That payments made after April 5, 1955, to a non-resident, computed by reference to the amount of timber cut or taken from a timber limit in Canada be subject to the 15 per cent tax on income from Canada of non-residents.

13. That the exemption of income from metalliferous or industrial mineral mines for the first three years of production be extended to mines coming into production at any time hereafter.

14. That the special deduction from income allowed for expenses of exploring or drilling for petroleum or natural gas in Canada and the special deduction from income allowed for expenses of searching for minerals in Canada be allowed for expenses incurred at any time hereafter.

15. That a deduction from income be allowed to a corporation whose principal business is production, refining or marketing of petroleum, petroleum products or natural gas or exploring or drilling for petroleum or natural gas, and to a corporation whose principal business is mining or exploring for minerals, for expenses incurred in the 1954 and subsequent calendar years in exploring or drilling for petroleum or natural gas in Canada or searching for minerals in Canada, if such expenditures were incurred otherwise than on its own account, in consideration for shares or an option or right to purchase shares of a corporation on whose account they were incurred.

Mr. Macdonnell: Mr. Chairman, I wish to make a few remarks about income tax in general, but first I should like to reiterate to the Minister of Finance the request which has been made year after year for several years, namely that the items in this resolution, of which I think there are fifteen, might be considered separately. We have in these last several years been regarding the whole resolution as one and indivisible, and I am suggesting now that this question might be considered by the minister.

Mr. Harris: Mr. Chairman, I have looked over some of the past experiences in this connection, and I am quite prepared to study the problem that has been raised at various times on this very point; but I have not been sufficiently convinced that there ought to be a change in the practice to ask that it be done at this time. Therefore I think we ought to continue considering the resolutions as a whole, and I promise that between now and next year I will have a further look at it to

see if the business of the house could be dealt with more expeditiously by taking them separately.

Mr. Macdonnell: It could so easily happen—and indeed it has happened—that there might be an item in the resolution which many members wish to vote against, though they would not vote against the whole income tax resolution. That is the reason we ask that these items be dealt with separately. I am not going to press the point further at the moment, but our original request was that we should consider and vote on each item, so that if there was an item on which there was a feeling of opposition, that opposition could be declared in respect of that item and it would not be, so to speak, carried along on the backs of other items which we did not wish to vote against.

Mr. Harris: Mr. Chairman, I appreciate the point the hon. member has made, but the same problem confronts him with every resolution that is brought forward in this house. It usually has more than one feature, and he has to accept it as a whole. His point can be met by opposing a particular section of the bill which carries out the resolution to which he is opposed at the moment.

Mr. Macdonnell: I am not going to press the matter further, but it seems to me that the budget resolutions are quite distinct from the other resolutions—as the minister mentions; here you have definite topics and I should have thought it quite in accordance with the most ordinary method of doing business that we might deal with each one separately and individually. I cannot see that it delays or hampers the carrying on of business. However, I shall not go into it further at the moment.

Mr. Chairman, I wish to make some brief general observations about income tax. I am even going to suggest that there may be such a thing as a spirit of the income tax, though I understand that a learned judge in England said there was no such thing. It is hard to realize how short a time ago it was that the income tax was regarded as practically an intrusion on private life.

It was only a few decades ago that a certain board of trade—I might say, not in the city in which I reside—passed a resolution approving of the principle of the income tax, and aroused a good deal of irritation among the members of the board by so doing. One of my friends, in commenting to me on the resolution, said, "That was a bright idea you had; why didn't you pass a resolution that the telephone was a useful instrument?" But other people were definitely irritated and annoyed. I should like to recall that until a recent date the Income Tax Act used to be called the Income War Tax Act. I forget the date it was changed, but it was quite recent.

If the chairman would allow me to digress from income tax for a moment, I should like to speak on succession duties, and to mention an incident which happened in the city of Toronto, in the days when it certainly was regarded as an intrusion into private life. The following conversation took place when a certain well to do man in Toronto went to see his lawyer and complained about the enormity of the act. He said, "Think of it; when I die, 25 per cent of my estate is going to be torn away from my descendants and given to the university which I hate." In the early days of the succession duty act in Ontario the proceeds from the act went to the University of Toronto. I hope this will not be regarded as a remark made by a jealous graduate of another university. When he asked his lawyer, "What shall I do about it?", the answer was, "Don't die, Smith". That is advice, of course, which we would all like to take.

I should like to refer for a moment to the background of the Income Tax Act. I find it interesting to note that it goes back originally to the French revolution, to 1793, when they had something approximating it. Pitt introduced it in England in 1798 but it was repealed in 1816. Its use in its present form dates from the 1840's, and it was finally settled in England in 1874.

As I say, we have come to regard it as normal here. Anyone who suggested that the income tax was not a normal way of raising revenue would be regarded as mental. I should like to draw attention to the origin of the tax. In 1917 it was introduced by Sir Thomas White. He felt even then, in wartime, that it was necessary to soften up the opposition, which he feared, by commending it as a fair thing that people who had substantial income should be called on to bear a special levy because of the fact other people were risking their lives. He said:

> Apart from this necessity, from a financial standpoint, there has arisen, . . . both in this house and in the country, a very natural and, in my view a very just, sentiment that those who are in the enjoyment of substantial incomes should substantially and directly contribute to the growing war expenditures of the dominion.

Then he goes on to say that "the adoption of such a measure is a distinct innovation in federal fiscal legislation". As we all know, the tax was accepted. It has become part of our normal way of carrying on business,

and indeed the principle that taxation should be on the basis of capacity to pay is very firm in our minds at the present time. It is taken for granted.

Yet I should like to say a word of caution with regard to the income tax. I deprecate the feeling that exists in certain quarters that the accumulation of wealth is really a bad thing, and that if you can soak the rich people enough, particularly the large corporations, other people will get off very lightly; the idea that in itself it is almost a righteous act, the kind of thing every just man should be prepared to do, to soak these large organizations, to soak anyone who has a large amount of wealth.

Let me say at the outset that I do not think there is anyone in this house more prepared than I am to see the wealthy taxed in just proportion, but I might suggest that there is another aspect of this question which we should not overlook. After all, here is one of our great sources of income, and we should not regard people who are, either in their own right or as heads of corporations, custodians of large volumes of wealth, as people who invite punishment. We should regard them as people whose welfare is of the greatest importance to ourselves.

After all, what does the ordinary man want? The ordinary man wants a job. He wants somebody else to take the risk. He needs someone else who has the initiative. He relies on the energy of somebody else. He is ready and willing to take a job. I have to confess that is true of myself. I would feel a better man if I had organized and sponsored a business of my own. I feel that we tremendously need those men. Indeed, that is what we depend on. I am going to consider in a moment the alternative solution, which of course is the socialist solution, and I am going to dispose of it to my own satisfaction entirely. But at this moment I want to stress the fact—and it is an obvious fact—that most of us want somebody to provide us with a job.

I think the people who do that have every right to be regarded, not as philanthropists, not as benefactors except indirectly, but as people who are performing a most valuable and indeed irreplaceable service to the state. After all, they are the people who take the risks. They are the people who launch out. They are the people who have the energy. They are the people who create the wealth. The rest of us may just as well admit that, for the most part, we are not neck or nothing people. We are people who want security.

I am often disturbed in these days to find how widespread is that feeling, especially among young men who 10 or 15 years ago were taking the most incredible risks every day of their lives. But now, on coming back to civilian life, they have this desire for security. Whether they feel they have had enough risks to last them for the whole of their lives, I do not know; but it is sometimes disturbing to find how large that desire for security bulks and, conversely, how often we seem to find little of the spirit of enterprise.

I wish here to deal for a moment with the contribution of those who are organized in corporations. There is often a feeling that they get an extremely undue return. I have regretted to hear in this house gross earnings brought forward and used as if that were the return which went to the shareholders of the company. I wish to put on record a few simple figures. These are from a brochure put out by the Canadian Manufacturers' Association. I feel quite sure, however, that they have been careful about their figures because it would be a gross error of judgment on their part not to be careful of them. I should like to read a few percentages of the income dollar. These cover some $7 billion of earnings in 1954. The percentages of this income dollar are these: wages and salaries, 22·1 per cent; materials, 46·6 per cent. Then I come down to these figures: depreciation, 3·3 per cent; taxes on income, 4·1 per cent; dividends, 2·4 per cent and retained in the business, 2·8 per cent.

I want to add the figures of "retained in the business" and "depreciation", making altogether 6·1 per cent. There you see the enormous importance to the rest of us of the success of these businesses, because that amount of money, which is more than twice as much as is paid out in dividends, is retained in the business. That means it goes to sustain and increase, we will hope, employment. Second, I stress the 4·1 per cent figure of taxes on income, which itself is well above the dividends figure. I mention that fact, Mr. Chairman, because when we are dealing with the taxes on these institutions I think it is desirable to remember the great part they play. It is a good thing the taxes have been reduced by the small extent to which that has been done. They are still very heavy, but it has been a step in the right direction.

A moment ago I said I was going to consider the alternative. We must consider the alternative. What is the alternative? The one alternative which I have been describing, and which I submit is what carries us along at the moment, is this. We rely on the energy, initiative and courage of a group in the community who go out and exercise those qualities and make a profit in so doing. I am

not going to suggest that they do not want to make a profit, but I am going to suggest that, in my experience, most of those people are not primarily interested in money. They are primarily interested in success. What does success mean to them? It means creating things. It means making two blades of grass grow where one blade grew before. It means creating better and better articles. It means extending their markets.

I am not going to pretend that these men do not want to make money. Money is, in a way, an imprimatur of success. If they do not make money they will go broke. But my experience is that those people are in there because in this way they find the fullest development of their creative instincts, their energy, their instincts, if you will, of service to the community. I do not want to be sentimental and make any preachment about the matter. To me the most hard-boiled man—the man, if you will, who thinks more about money than he thinks about anything else—nevertheless involuntarily in his success is making the greatest possible contribution to the building up of the country.

Why do I say this? Not because I do not believe these people should pay high taxes. Of course they must pay high taxes. I say it because I think it is important that all of us should try to have a just view of this matter, the government particularly. We have had years of boom during which these high taxes have been levied and paid, and when there have been good profits. I am admitting all that. But on the other hand, as we all know, there is a possible alternative when times are not so good and when taxes automatically become much heavier relatively, even though they remain actually the same.

I want to say a word on the alternative—the only alternative I see—which is that the means of production is not to be owned by individuals but is to be owned by the state. We have seen that system tried. We have seen it tried by people whom we respect, people like ourselves. I am thinking of Britain.

I want to read one or two comments which come from people who, I think, are entitled to be seriously considered. I want to remind the committee of what happened at the labour conference at Margate just a year ago last September, I think it was. I referred to it in this house somewhat more than a year ago. At that conference huge votes were recorded—not one, but several; vote after vote—against further nationalization. I was struck with that fact. There had been every opportunity for nationalization to show what it could do but the votes, I think without exception, at that conference were against nationalization.

I want to read one or two extracts which I have read before and which come from competent and, I hope, detached people commenting on the progress of socialism in Britain. One is from C. E. M. Joad. I am reading from page 405 of a book with an extremely interesting title. It is called "The Conservative Mind". I recommend it to you for study. It is by one Professor Kirk. At page 405 he quotes Joad as saying this:

> "Socialism is no longer a creed to conjure with. It is like a hat which has lost its shape because so many wear it; rightly or wrongly, few of us now look to it to revivify our early hopes."

Then Kirk himself goes on to use serious words which I think are worthy of consideration:

> Finding that the majority of men seem to lack motive for performing their duties in society, now that the ordinary rewards for ordinary integrity have been abolished or diminished, the socialists are dismayed; they begin to wonder whether their theory of human nature can be at fault.

I read that just for this reason. I believe that in this world in which we live—and I am not speaking of what it will be in 500 years—the number of people who will work without having a personal incentive is not a high proportion of society. I think that is what they have been finding in Britain, and I believe that is the reason the enthusiasm has waned.

I should like to read one other extract which I think it is fair to read, because it comes from a leading socialist and because I think it makes very clear the alternative we face if we pursue the socialist line. My objection to socialism has been twofold, first of all the economic objection, because I never thought it could work, and second and far more serious, I have never believed it could work with freedom.

It is for that reason I wish to read this statement by Mr. Gordon-Walker, former secretary of state for commonwealth relations in the Labour government. He uses very frank, straightforward language which rather shocks me, because it seems to indicate very clearly what a leading socialist regards as the way to progress. Incidentally, I do not believe it is the way of our socialist colleagues in this house. I do not think they would accept this view. My charge against them is that I think they do not face up to the implications of their own theories.

Perhaps there is no harm in interjecting here a little personal story. I do not see how there can be any objection to it. It refers to two men who used to be members of the house. It was told me by the late

W. H. Moore, who was a leading Liberal. When he was a member of the house he belonged to a dining club of which J. S. Woodsworth was a member. I wish to say again that I had the greatest respect for Mr. Woodsworth as, indeed, I had for Mr. Moore. Mr. Moore made this remark on one occasion to Mr. Woodsworth. He said, "You have been a very useful member of the house because, although you have not had power, you have had influence, and things have been done in this house that would not have been done if you had not been here". Then he added, "But of course if your party ever came into power you could not be the leader of it any longer". Mr. Woodsworth said, "Why not?" Mr. Moore replied, "If your party came into power it would be a dictatorship, and you are not tough enough to be the leader of a dictatorship. You could not do the kind of things that dictators do".

I only mention that. I am sure it is not derogatory to Mr. Woodsworth and it is not intended to be. It came from a man who I think was a real liberal. There are real liberals in the Liberal party; I am not ashamed to confess that. Sometimes I think they are a rather small percentage, but in my view Mr. Moore undoubtedly was a real liberal who by some strange coincidence found himself still in the official Liberal party. Mr. Moore's remarks seemed significant to me, and I am sure they were made in good faith. With this digression, I wish to read now what Gordon-Walker said.

Mr. Blackmore: Would the hon. member read a little more loudly?

Mr. Macdonnell: I shall try to. These are the words of Mr. Gordon-Walker, late secretary of state for commonwealth relations:

> The new state will also directly augment authority and social pressure by new powers of punishment and compulsion. So far from withering away, as in theory, both the individualist and the total state should, the new state, if it is to bring into being and serve the better society, must create new offences and punish them.

Another writer whose name is not familiar to me, Mr. E. H. Carr, speaks rather along the same line. He is very candid indeed. He says:

> The donkey needs to see the stick as well as the carrot . . . I confess that I am less horror-struck than some people at the prospect, which seems to me unavoidable, of an ultimate power of what is called direction of labour resting in some arm of society, whether in an organ of state or of trade unions.

When I read these things, Mr. Chairman, I find myself more than ever obsessed—perhaps it is an obsession—at any rate, more than ever confirmed in my view that whether or not they intend it the socialist way is the way of dictation and authority, that it cannot be otherwise.

I merely wish to add a word or two. I want to make very clear the reason for these remarks. It is not that I want to weep tears for those who pay income tax. We get a very large percentage of our revenue from it now and it is a fair tax, provided it does not become too heavy. But I do want to answer the view, which I think is held in certain quarters, that there really is almost no limit to what you can take by way of income tax. I want to put in a plea that we look at this thing in a fair way. I believe most businessmen are not working for the money. After all, they cannot eat any more than we do or wear any more clothes than we do, and a great many of them live with great simplicity. But they must have the incentive of being able to make their business a success, and it is with that in mind and in that spirit that I think we should approach this legislation.

Mr. Argue: Mr. Chairman, I wish to confine my remarks at this time to that portion of the income tax resolutions providing for a reduction in the income tax paid by taxpayers in a province that does not sign a federal-provincial tax agreement. I refer to resolution No. 4, which reads as follows:

> That for the 1955 and 1956 taxation years an individual who resided, was employed or carried on business in a province in which a tax on income was payable to the government of the province may deduct from the tax otherwise payable by him to Canada that proportion of 10 per cent of his tax otherwise payable that his income for the period during which he resided in the province or his income earned in the province is of his whole income.

I am afraid this resolution indicates very clearly indeed that the government has turned its back on the original principles it followed at the time of the federal-provincial conferences some ten years ago. The principles announced at that time included full employment, and the principle that in so far as it was possible within the federal jurisdiction, corporation tax and income tax should be the same in all parts of Canada. The proposal to reduce the income tax of taxpayers in a non-agreeing province not only means that the federal government is making a patchwork of its own taxes, but is an open invitation to the wealthier provinces now within the agreement to abandon it.

I have seen figures prepared by tax experts indicating that if the province of Ontario had a 15 per cent income tax on married persons with incomes above $3,000 and on single persons with incomes above $1,500,

the province would in fact gain some $3 million by pulling out of the federal tax agreements. If for no other reason than that this proposal weakens the whole concept of action by the federal government to maintain full employment through fiscal policies I would oppose it, but there are other reasons and other grounds why it should be opposed.

It is rather startling to me that I did not hear any reference by the hon. member for Greenwood, the official financial critic of the Conservative party, to this very important question before us this afternoon. I do not think this proposal squares with what, over the years, we have known to be the rights of the provinces in the field of taxation.

On behalf of the C.C.F. group I want to say that we support resolution No. 3, which provides that in 1954, in a non-tax agreeing province, namely in Quebec, income taxpayers will be allowed to deduct 10 per cent from the amount otherwise paid to the federal government. I believe there is a fundamental and clear difference between allowing a certain percentage of the tax to be deductible and providing, as in resolution No. 4, that taxpayers in certain provinces will pay an income tax rate different than taxpayers in another province.

We in this group support the fundamental right of a province to occupy the field of direct taxation. We know the people of Quebec value that right very highly indeed, just as they value their other rights of language and culture which the C.C.F. party has always supported to the fullest extent. When this problem was being faced by Canadians generally, the Quebec section of the C.C.F. gave a great deal of thought and consideration to it. It is public information that the proposals advanced by the Quebec section of our movement have been adopted by our national movement. Even though the C.C.F. have very little support in Quebec, and on the basis of results in recent elections we have no hope of winning many electoral victories in the near future, we nevertheless adopted a proposition that was eminently fair to all citizens of Canada, and a policy that we believe preserves all of the fundamental rights of Quebec. I suggest those rights are not preserved by resolution No. 4.

This resolution No. 4, I suggest, will provide a personal income tax structure that cannot help but contribute to national disunity. I believe it is inherently wrong; it is inherently unjustifiable for the federal government to set up an income tax structure that will be different in one part of Canada as compared with another part of Canada. I wish at this time to refer to the official position taken by the movement of which I have the honour to be a member at our national council meeting on January 17 of this year. It reads in part as follows:

> At a time when farm prices are declining and unemployment increasing, it is essential that a solution to the tax rental dispute be found.

I might say that this was adopted and released before the position of the federal government was made known. It was not, therefore, something that was influenced by any stand taken by the government.

> Provided federal responsibility for fiscal policy is maintained, and the financial advantages to the provinces are not reduced, there is no reason why adjustments cannot be made in the present agreements to satisfy Quebec's deep concern over her constitutional rights.
>
> The C.C.F. national council has given careful study to the various alternatives that present themselves and has heard suggestions for improvements in the agreements from several provinces. It believes that a proper solution can be found based on the following principles:
>
> (a) Every province to have the option of imposing its own income tax with deductibility, up to but not exceeding, the amount it would receive from the federal government under the tax rental agreements.

This proposal, if fully adopted, would not cost the federal treasury any more than it is offering to the provinces that might sign tax rental agreements.

> (b) Should the provincial tax exceed or fall short of this amount in any year the difference should be adjusted, any deficiency to be made up by a federal grant and any excess to be returned to the federal treasury.

In other words, by following such a policy the federal government could implement all the essential fiscal policies necessary to deal with the problem of unemployment, and it would be making it possible for taxpayers in all provinces in Canada to pay the same income taxes. I feel that such a proposal is not only right because it would tend to bring about equality of income tax, but also because it would make it possible for a province to exercise a fundamental right namely to occupy the income tax field and obtain the same amount by imposing its own tax as it would obtain from the federal government under a tax agreement. Such a proposal would not impose any heavier tax burden on the people of that province. The proposal by the Liberal government that we are discussing today, while it appears in a monetary sense to help the taxpayers of Quebec, in fact is an insult to the people of Quebec who value their fundamental rights so highly. It is this proposal to which we are completely and unalterably opposed.

I do not believe this proposal can be justified on any grounds whatever. Would the government consider for one minute, I ask,

imposing an excise tax on some particular article at a higher rate in one province or group of provinces than would apply on the article purchased by taxpayers in another province or group of provinces? Would the federal government consider for one moment placing a higher tax on automobiles sold in Ontario than on automobiles sold in Manitoba? It is such a ridiculous proposition. We all know that good Canadians who value national unity would not stand for such a difference in taxation. Yet in the income tax field that is precisely the proposition we have before us, and that is precisely the result that will flow from the adoption of resolution No. 4.

Would the government set a different sales tax, I ask, or any other tax, on electric refrigerators or electric stoves, so that the housewife in Newfoundland would have to pay more because of a higher federal tax on those articles than a housewife in British Columbia? I am sure again this illustration is so ridiculous that no member in this house would publicly support it. Yet—

Mr. Pickersgill: May I ask the hon. member a question? If that is his view, why has he never opposed having different federal rates in different provinces in relation to the corporation income tax? It has been in effect for 5 or 6 years. Why is it right for corporation taxes and wrong for personal taxes?

Mr. Argue: The answer to that question is pretty obvious. It is obviously wrong to impose a different tax on persons, and may or may not be wrong on an inanimate object such as a corporation. That question by the Minister of Citizenship and Immigration suggests that he is quite happy that the income taxpayers in one province will be paying a tax different from that paid by taxpayers in other provinces. I suggest that is a proposition no member in this house should support.

What value can there possibly be in this resolution? Had the Prime Minister brought in a proposition which gave more to the province of Quebec and to the income taxpayers of that province by allowing full deductibility of the provincial tax up to the maximum amount the province would receive under a dominion-provincial tax agreement, the C.C.F. party would have supported it completely. But this looks like a rather ill-conceived attempt to maintain the political fortunes of the Liberal party in one province. I do not think the people of Quebec, being good, honest Canadians, believing as they do in their fundamental rights, will appreciate this move and support it, any more than will the taxpayers in any other province of Canada. As I have said, I believe this proposition is wrong in every respect.

The Quebec federation of industrial unions has given a great deal of study to this matter, and has found that the proposal by the government is wrong for four reasons. The first reason they list is that it is unilateral; that it is applied to one province and one province only because, of course, that is the only province that is not under any tax agreement at the present time.

The second reason they give is that it does not square with the cyclical ideas of fiscal agreements; that if this were carried on in a time of deflation, with provinces outside the agreements, a reduction in federal personal income tax could be met by a provincial government occupying the same field, and therefore the increased purchasing power in the hands of the public that the government might hope to provide by such a taxation policy—and that is the government's whole theory, as we have been told so often, of cyclical financing—would be abrogated.

The third reason they suggest as to why this proposal is wrong is that it is an injustice to the province of Quebec. I shall not further elaborate on why it is an injustice; as I think I have already very fully covered that point.

The fourth reason they give for opposing this measure is that it is a hindrance to national unity. When the bill is introduced which provides for the 10 per cent deductibility of income tax as provided in resolution No. 3, the C.C.F. party will give it its full support, but we shall oppose the proposition that the federal government should reduce taxes in any province below the level of income tax in any other provinces.

I hope with all my heart that the coming federal-provincial conference will be successful in every way, that there will be full agreement by all the provinces. I would hope that agreement will be so widespread that a year from now the government will, by action at that time, remove the inequalities and injustices that flow from the implementation of its present proposal. If that should not happen I hope the Prime Minister himself, who I know has given this problem a great deal of attention and consideration, will finally see that it is fundamentally wrong to have different rates of taxation applied by the federal government to taxpayers in different provinces. I hope during the present session he will yet withdraw this proposal and bring in a proposal of deductibility which will do more for the people of Quebec, and at the same time be a contribution to national unity in our country.

The Chairman: Shall the resolution carry?

(Translation):

Mr. Gagnon: Mr. Chairman, the speech just made by the hon. member for Assiniboia (Mr. Argue) is somewhat surprising, after the statements made both by his leader and the socialist premier of the province of Saskatchewan.

I have here before me some notes on this matter. However, before going any further, I should like to mention that while the present cabinet has given evidence of good intentions with regard to our province, we feel some misgivings about the day when the leaders in Ottawa, filled with ideas and feelings identical with those of the members of the C.C.F. party, will say, in answer to the requests of French Canadians, what the hon. member for Vancouver-Kingsway (Mr. MacInnis) stated on January 22 last:

(Text):

We have no minority except those who made themselves a minority.

(Translation):

We do not want to be the victims of the ignorance and the fanaticism on which feed, for instance, certain religious organizations in British Columbia, and which, if carried over into the federal field, would be disastrous to our beliefs and our school system.

The Montreal *Gazette* of October 27 last, in a dispatch dated from Victoria, brought us a new sample of the narrow-mindedness of certain Protestant people on the Pacific coast. I quote:

(Text):

B.C. Urged not to Assist R.C. Schools

A brief was presented to the British Columbia cabinet today asking that no financial aid be given Roman Catholic schools.

It was placed before the cabinet by a three-man delegation of Protestants. One, Rev. W. M. Robertson of Vancouver Metropolitan Tabernacle, said:

"The teaching in Roman Catholic schools is against tolerance for any other Christian religion or church."

The Roman Catholic church operates separate schools in B.C. attended by 10,000 pupils. Full cost of operating the schools is borne by Roman Catholic families.

In June, a delegation of Roman Catholic bishops sought aid from the cabinet.

They asked: That school taxes go direct to the separate schools instead of helping pay for public schools, or, that financial aid be given by the government in grants for teachers' salaries on a per capita student basis, and leasing separate school buildings for a nominal fee to relieve the church of paying taxes.

The Protestants' brief demands that no aid be given the separate schools because the system in Ontario and other provinces has led to "the teaching of intolerance and national disunity."

(Translation):

Fortunately, that is not the way of thinking of all the people in that province. For instance, I am happy to mention here the statement of a British Columbia educator, as reported in the Montreal *Gazette* of November 4, 1954:

(Text):

B.C. Expert Backs Quebec

Dean Henry F. Angus of the University of British Columbia has supported Quebec's stand in refusing to enter into tax agreements with the federal government.

Dean Angus is head of the university's department of economics, political science and sociology.

Writing in the campus newspaper, *The Ubyssey*, the dean said:

"Taxpayers in Quebec have contributed to the federal revenue out of which subsidies have been paid to other provinces. They feel they are unjustly treated."

"Quebec has refused to sell its constitutional birthright," he said, and has done "nothing illegal or unconstitutional" in refusing to allow the federal government to "buy control" of the province's right to levy income taxes.

(Translation):

We also fear the fanatical Orangemen who would make of Canada a one-way nation, and I say it is a shame that there should be in Canada, in 1955, hundreds of people to listen, without raising any protest, to statements such as this one:

(Text):

And from the *Globe and Mail* of May 19, 1955:

Orange Leader Would Abolish Separate Schools

Gordon Keyes of Toronto, grand master of the grand Orange lodge of Ontario, today called on the provincial government to abolish separate schools.

In an opening address to more than 600 delegates at the lodge's 96th annual meeting, Mr. Keyes asked the government to "break down the wall of separatism" and encourage children of all citizens to learn together.

He said there is no place where citizenship is more closely cemented than within the public schools.

(Translation):

Utterances such as these are not conducive to national unity. The hon. member for Assiniboia just said that he deplored the fate of citizens of the province of Quebec. And yet his leader said over the radio, as reported editorially in *Montreal-Matin* on January 25, 1955:

. . . that he saw national unity in peril and went so far as to speak of a "bonus" to the people of Quebec, when that province has not as yet secured its right of not being deprived of the taxation fields granted under the constitution to our province as well as to the others.

Mr. Coldwell covers himself with ridicule when he speaks of Premier Duplessis' "one-sided decision" to levy an income tax. Is Mr. Duplessis under obligation to consult the premier of British Columbia or of Alberta, or of some other province, before exercising his rights and duties as leader of his government, when he has the support of the representatives of the people?

Does the government of British Columbia consult Mr. Duplessis before persecuting the school children of Maillardville and elsewhere?

A one-sided decision? But how could there be a two-sided decision of a provincial government in various fields which concern that government

exclusively? And why should it be two-sided? Two-sided with regard to whom? To some other province? To the federal government? But these are things that do not concern them.

It is true that, for Mr. Coldwell, confederation is something too antiquated to be considered. He can disregard it if he chooses; that's his business. But the province of Quebec will never forget, because it knows that respect for confederation is essential to the survival of one of the two great races of this country.

When Mr. Coldwell said that, he was stressing what had already been done, in this house or elsewhere.

I have here statements by the hon. member for Vancouver East (Mr. Winch) as follows:

(*Text*):

Mr. Harold Winch, M.L.A., C.C.F. leader in the B.C. legislature, speaking at Calgary, as reported in the Calgary *Herald* of November 10, 1943, said:

We're going to scrap the B.N.A. Act.

The hon. member for Vancouver East (Mr. Winch) said in a speech at Forester's Hall, Vancouver, as reported in the Vancouver *Province* of February 19, 1954:

I did not say one thing in Calgary that I and other C.C.F. people have not been saying for eleven years.

(*Translation*):

I also want to quote another statement by the hon. member.

(*Text*):

Mr. G. W. Weaver, delegate to the 10th annual convention in British Columbia, as reported in the Vancouver *Sun* of April 17, 1943, said:

We ought to remember that the constitution was not made to bind the C.C.F. We are not concerned with capitalistic constitutions as soon as we can wreck them.

(*Translation*):

The following is the statement made last February, by the prime minister of Saskatchewan. I am quoting from an editorial in the Montreal *Gazette*, dated February 3, 1955, and entitled:

(*Text*):

Oddly enough, on February 1, the very day on which Mr. David Lewis issued his statement to Quebec on behalf of the national council, Hon. T. C. Douglas, the C.C.F. premier of Saskatchewan, was speaking also. He termed Mr. St. Laurent's restricted concessions to Quebec as being "the most abject surrender in Canadian history".

He went one better. It was also a "pathetic appeasement" that amounted to "favoritism". Nor was this all. It has also turned "the clock back a quarter of a century".

Perhaps Premier Douglas was also speaking for himself alone. But after all, he is scarcely a party nobody. He is the only leader of a C.C.F. government in Canada.

"Miserable comforters are ye all!" exclaimed Job. Perhaps those who came to soothe the Quebec C.C.F. in its discontents may yet be regarded as worthy successors to Job's comforters.

[Mr. Gagnon.]

(*Translation*):

I said, Mr. Chairman, that it is not within the jurisdiction of Ottawa to subsidize our universities and even less to raise taxes for that purpose. That is the exclusive privilege of the provinces.

When the central government exceeds its rights, it does an injustice to the Quebec taxpayers who are forced to pay a large share of these grants which go more often than not to institutions who refuse to acknowledge the rights of my compatriots in the other provinces.

Some people wonder why Quebec refuses thus each year the millions offered by the federal government.

The reason is a simple one: we value more our rights than money.

No more than the rest of the citizens of Canada do we enjoy paying taxes. We know however that our survival, as an ethnic entity, is assured as long as we retain control over our educational system.

We are proud of our origin, of our French culture, of our history, of our customs and age-old traditions.

I take pleasure here in quoting an article written by Mr. Murray Ballantyne which has been published in pamphlet form by the Institut Social Populaire of Montreal. Here is what this English-speaking Canadian says about French Canadians:

(*Text*):

Have you ever wondered what it feels like to be a French-speaking Canadian? First of all they are in their own country. They are the senior Canadians. Long ago they reached that level of national, North American consciousness to which many of us are but now attaining.

In a great arc from the mouth of the St. Lawrence to the mouth of the Mississippi, the French were the first to explore, the first to trade, and the first to evangelize. Kingston, Toronto, Winnipeg, Detroit, Pittsburgh, St. Louis and New Orleans—all stand on sites discovered by French daring and occupied by French genius. It was the French tongue that was first heard here by the Indians, it was the blood of French missionaries that first rendered this soil sacred to French memory.

(*Translation*):

Further on, this distinguished professor stated, with regard to the situation imposed on our fellow citizens in the other provinces of the dominion, with regard to schools:

(*Text*):

The B.N.A. Act declares that the Protestants in Quebec shall have in education all the "powers, privileges, and duties" enjoyed by the Catholics in Ontario.

How has this compromise, this gentleman's agreement, been honoured? What do we find today? In Quebec the Protestants have the fullest possible enjoyment of their school rights. Nothing that they could ask has been denied them. But in Ontario, which was to have been the paragon.

Catholic schools can be carried beyond the primary level only at the cost of double taxation. And even at the primary level it is almost impossible for Catholics to enjoy their fair share of corporate taxes. As for the French tongue in that province, it is more than 40 years since regulation 17 forbade that language except as a subject of instruction. The English in Quebec are perfectly free to teach in their own tongue. The French in Ontario are not.

Admittedly what has happened to separate schools in Ontario is at least partly the result of judicial decisions. And admittedly the parliament and courts of Quebec are officially bilingual while those of Ontario are not. Still the French feel that Quebec has kept the original agreement in letter and in spirit, and that Ontario has not.

Out west, Manitoba was established by federal act in 1870 as officially bilingual and with full educational equality for Catholics and Protestants. Today the French tongue has been deprived of all recognition in that province, and Catholics who want their own schools have to pay taxes to the public schools as well. Thus the French-Canadians are once again made familiar with the penalty of double taxation.

In Saskatchewan and Alberta it is much the same story. Catholic schools have not been crippled quite as cruelly in these provinces as in Manitoba, but the French language has been deprived of all status. Sir John A. Macdonald opposed the move to make English the only official language in those parts. Speaking of this proposed suppression in 1890 he said: "I believe that it would be impossible if it were tried, and it would be foolish and wicked if it were possible."

Nevertheless in 1892 the legislative assembly of the then North West Territories carried out this "wicked" act.

New Brunswick is another province in which the minority feels that it has been deprived of its rights.

As for British Columbia, the French cannot claim that earlier rights of language or education have been abolished because so far as I know they never had any rights there. They never had any rights, that is to say, in positive law. But have they not natural rights, and are these natural rights not infringed as they see their children trudge to schools built at their own double expense while other children are driven to public schools in public busses to which the Catholics have had to contribute their full share of the cost?

(*Translation*):

I wanted to quote this article, Mr. Chairman, to show the position of French Canadians in the other provinces and to show how right we are to keep our money in the province and to levy an income tax, in order to be able to pay to our universities, seminaries and colleges the very same grants, in so far as that is possible, that the federal government wants to foist upon us by unconstitutional methods. I would like the federal government not only to grant us 10 per cent, but a complete deduction of the tax raised by the provincial government.

(*Text*):

I therefore have the honour to move, seconded by the hon. member for Lapointe, that paragraph 3 of the Income Tax Act resolution be amended by leaving out all the words after the word "business". It would then read as follows:

That for the 1954 taxation year an individual may deduct from the tax otherwise payable by him the amount of tax on income paid to the government of any province in which he resided, was employed or carried on business.

The Deputy Chairman: It has been moved by the hon. member for Chicoutimi, that paragraph 3 of the Income Tax Act resolution be amended by leaving out all the words after the word "business". The hon. member has read to the committee the resolution as it would then read.

In my opinion it would quite obviously affect the revenue which would be derived by the federal authority if his amendment were to be adopted. Therefore it is my opinion that the amendment is undoubtedly out of order. I have before me some—and I think the committee is familiar with many—decisions holding that it is not competent for a private member to introduce an amendment to a tax resolution which would have the result of—I believe this is the expression—affecting the balance of ways and means. Therefore I feel I have no alternative but to state that the hon. member's amendment is out of order.

Mr. Girard: Mr. Chairman, I was a little amazed to hear what the hon. member for Assiniboia said about the rights of Quebec. I should like to congratulate him because there has been a great change. Ever since the Prime Minister stated the government were going to permit a 10 per cent deduction he and all the members of his party have said the government were going back on what they had already done. I quote what the hon. member said in January, 1955, at page 345 of *Hansard:*

The statement by the Prime Minister of Canada in which he said that the Canadian income tax law would be amended to reduce the federal tax by 10 per cent in Quebec means, in my opinion, a complete surrender by the federal government of Canada to Premier Duplessis in Quebec.

(*Translation*):

Mr. Chairman, some of the arguments put forth a while ago by the hon. member for Assiniboia (Mr. Argue), who said that a double taxation would be levied because the government of the province of Quebec had set a fiscal basis different from that of the other provinces, deserve some consideration.

The hon. member forgets that even though in the province of Quebec some taxpayers will pay less than those of other provinces, it is not through any favour of the federal government, but rather because the province has not levied through its legislation as much as the federal government allows. He cannot credit the federal government with results arising from provincial legislation. It is truly

the outcome of the provincial government's generosity. I do not think that he can censure or congratulate the federal government on that score or use this as a pretext to oppose the 10 per cent deduction or say that it is another step towards surrender.

However, that 10 per cent deduction cannot be satisfactory to the province of Quebec, especially since it is not the only aspect to be taken into consideration. We have never mentioned any amount when we have asked for a full deduction. It would be foolish to fight for less money than was offered by way of the fiscal agreements. The essence of the matter lies in a principle and not exclusively on finance. It is the principle of autonomy, the respect of our various forms of government, and that principle forms the basis of Quebec's demands. That is why, even if the 10 per cent deduction means a step towards compromise, it does nothing as far as our rights are concerned, from the point of view of autonomy, even though from the sole political standpoint it may seem that the Prime Minister is not the loser and that the premier of the province is also the winner.

The C.C.F. party, which hides its dictatorial program under a socialist label, sees in fiscal agreements an ideal way of making its dream of centralization come true. That is why it considers that any encroachment upon the fiscal agreements is an attack on our most precious assets. That is why the leader of the party (Mr. Coldwell) so strongly opposed any amendment to the fiscal agreements, in which he was admirably seconded by the hon. Minister of Justice (Mr. Garson) and by several other of their supporters.

They want to safeguard the fiscal agreements, even if to that end they would have to destroy the constitution, as was so often done by spokesmen for the government who said at the time: "You must take it or leave it, even if you have rights, even if it should ignore the rights of the provinces".

People sometimes are concerned over the fact that the great majority of the people do not take any interest in politics, that people seem to have so little confidence in politicians. When the rights governed by the constitution are dealt with in such an illogical way, such a stand by the electors is not surprising.

How did the fiscal agreements come about? First of all, advantage was taken of the abnormal situation brought about by the war, to borrow the rights of the provinces. After the war, another pretext was needed and a very righteous one was found: it was necessary to ask rich provinces to help the poor provinces.

[Mr. Girard.]

That all-powerful argument could be assimilated to that of a judge who would say to the crown attorney in a trial for robbery: "Well, that belongs to the plaintiff; he is entitled to it, but it does not matter whether he needs it or not, we have decided to use it to help someone poorer than he is".

In the meantime, it was costing the province of Quebec more than $30 million a year to adhere to that principle. It was undoubtedly thought that the cost would be so heavy that she would not be able to stand it very long and that sooner or later she would have to give up.

Last year, availing herself of her rights, the province of Quebec decided to levy her own income tax. At first the federal government was surprised and somewhat concerned, but on second thought they became reassured and said: Mr. Duplessis fell into the trap; he levied a tax and the federal government will see to it that he bears the onus of double taxation, which is always unpopular. However their satisfaction did not last very long, when they found that all the people of Quebec supported the provincial government and laid upon the federal government, where it should rest, that onus of double taxation.

The federal government found itself in a spot and the argument relating to the poor provinces lost its weight.

Following ultra-nationalist ideas, as they were accused last year of doing, independent members dared to move an amendment during the debate on the budget last year, which asked for the full deduction of the Quebec income tax. The then minister of finance (Mr. Abbott) rejected those too daring claims when he said—and these are his very words: "The federal government keeps the door open and would be ready to co-operate", adding however that no deduction greater than 5 per cent could be granted without straining overly the resources of the treasury.

The argument was not favourably received in the province of Quebec. The Prime Minister also made in the Reform Club a statement which had an extraordinary effect in Quebec. Then they apparently got together and thought of an offer which might be a political face-saving but which would do nothing to safeguard the principle we wished to uphold. With a surplus of over $13 million in 1953-1954, if my memory serves me right, the federal government was not in a position to grant a deduction of over 5 per cent. This year though, with a deficit of $160 million, it can grant one of 10 per cent. That is just another instance of the inconsistencies which are indulged in so as to maintain these fiscal agreements which are contrary to the rights of the provinces.

I was listening a moment ago to the hon. member for Assiniboia who said that the deduction proposed was absolutely unjust for the other provinces, since it would mean double taxation for Quebec and that even the people of Quebec, if I heard him correctly, could not claim to be real citizens if they dared claim what other provinces did not have.

I do not wish to repeat the arguments already advanced by my colleague from Chicoutimi (Mr. Gagnon) but if one thinks of the double taxation for separate school purposes in the other provinces, it is easy to realize how it can hurt. In short, Mr. Chairman, the government was faced with a budgetary problem, in this, that if it were to give more to the province of Quebec and if the province of Ontario requested the same treatment, the federal government would no longer be in a position to fulfil its obligations. However, this argument can no longer be offered today, as, at last, all agree to claim from the federal government, not 5 per cent, nor 10 per cent, but a full deduction, providing, however, that the amount that we claim does not exceed that which is offered under the fiscal agreements. It therefore means that the budget balance is maintained, that neither the treasury argument, nor the argument to the effect that the other provinces allegedly are being wronged, can be advanced.

That is why I support the claims of my colleague for Chicoutimi asking the federal government to reconsider the situation and to allow the province to administer and collect the taxes that it needs to fulfil its obligations as determined by the constitution, provided the amounts offered under the fiscal agreements be not exceeded.

(*Text*):

Mr. Cameron (Nanaimo): Mr. Chairman, we seem to have ranged a long way from the budget resolutions on occasion in the last hour or so. I want to deal briefly with some remarks made by the hon. member for Chicoutimi because I think that a member from British Columbia must do so. I see the Minister of Finance holding up his hands in despair. I quite agree with him that if it is not out of order to do so, at least it is stretching a point of order somewhat; but as the matter has been raised, I think perhaps he will bear with me if I spend a moment or two on it.

We people in British Columbia may be peculiar—I suppose we are—as we are the only province in Canada apparently that maintains one school system. It is a school system that was established nearly 100 years ago, and it was established on certain principles. One of those principles was that it should not be a divisive influence in our community, that the schools should be secular schools, and that the question of religious instruction should be left entirely to the churches and to the homes. That decision has been maintained for nearly a century. I myself, when I went to school in British Columbia, went to school with a number of Roman Catholics. I was not aware of that fact at the time. It was not until I left school and met them afterwards that I became aware of the fact that those boys and girls with whom I had gone to school had been Roman Catholics.

We in British Columbia feel that one of the purposes of a system of education is to create in the minds of the children a sense of their unity with all other Canadians, not to drive home to them a sense of their difference from other Canadians. It is for that reason that the people of British Columbia have maintained this school system. I may say this. We are not too happy when we have stigmatized as injustice to minorities this decision that has been made and has been maintained by a democratic majority in British Columbia.

Now, Mr. Chairman, we started off this afternoon with, shall I say, an even greater breach of the letter of this discussion when the hon. member for Greenwood was speaking. I am not at all sure that the hon. member for Greenwood and I would be in order to discuss the finer points of the socialist and capitalist theories on the basis of the budget resolutions. I would, however, make this comment. I do wish that the critics of socialism would read books about socialism written by socialists rather than read the second-hand comments of people who obviously have no conception whatever of the fundamental socialist principles.

Mr. Macdonnell: Would the hon. member permit a question?

Mr. Cameron (Nanaimo): Certainly.

Mr. Macdonnell: Would it not be fair for me to answer that I did at least cull from this source, of which he does not think so very highly, statements by people who are in the ranks of the sanctified and who are authorized as such to speak the pure word of socialism?

Mr. Cameron (Nanaimo): Well, I was just going to say that I knew quite well the hon. member would throw the Hon. Patrick Gordon-Walker at me. Indeed, Mr. Chairman, the hon. member for Greenwood—

The Deputy Chairman: Order. Before I allow the hon. member for Nanaimo to complete the sentence which I am now interrupting I think I should point out to the committee that the committee is not dealing with the question of minority rights, language, or education. Partly through my own fault, statements were made in that connection and I permitted them to be answered. I propose now, in so far as that part of the discussion is concerned, to regard it as concluded. The hon. member for Nanaimo considers that he is justified in replying to some remarks made by the hon. member for Greenwood. I shall permit him to make that reply because I did not hear that part of the debate, and I believe it is the duty of the Chair to allow replies to be made.

May I, however, take a minute of the time of the committee to point out that we shall quite probably be debating these taxation resolutions for some time and that, if I may say so, whether we are under a socialist or any other form of government, we are faced at the moment with certain amendments to be made to the Income Tax Act. May I warn all hon. members that in so far as any of us introduce matters extraneous to the Income Tax Act we are going to provoke somebody else to reply, and the danger is we will be debating the merits and demerits of socialism or segregated schools instead of the merits or demerits of the proposed amendments to the Income Tax Act which have been submitted by the Minister of Finance.

As I said, I will permit the hon. member for Nanaimo to complete his statement which I interrupted, and I trust he will be able to do so briefly. Then I trust that he and members who follow him will be able to relate their remarks to the proposed amendments to the Income Tax Act.

Mr. Cameron (Nanaimo): I will take only a moment or two. As I said, I knew quite well the hon. member for Greenwood would throw the Hon. Patrick Gordon-Walker at me. I would hesitate, however, to classify him as the hon. member for Greenwood classifies him. I do not wish to be disrespectful to a man who was a member of Her Majesty's government in Great Britain, but he is not very highly regarded as a socialist. As to the other gentleman, Professor Joad, before he went to his final reward he moved, shall we say, into the ranks of the unsanctified, to follow the definition of the hon. member for Greenwood, and renounced his socialist views at the same time that he embraced some rather fundamental religious views. I do not think they can be regarded as spokesmen for the socialist idea.

[Mr. Cameron (Nanaimo).]

I do not intend to go any further with that matter except for one point. The hon. member for Greenwood laid great stress on the necessity for personal incentive. I do wish that he and people like him would look at the Canada Year Book and discover the number of people in Canada who are in a position to benefit by personal incentives. If he would look at the make-up of the Canadian population he would find that nearly 80 per cent, as he himself suggested earlier, are working for someone else, and therefore any personal incentives that may be offered to them now, working for private enterprise, would still be there if they were working under any other industrial organization. I think the hon. member tends to confuse, as so many of his way of thinking do, the position of the very small, minute and rapidly decreasing minority—who are able in a modern industrial society to exercise free enterprise and operate businesses of their own—with the vast majority to whom this argument is simply not applicable at all.

Coming to the budget resolutions, Mr. Chairman, I want to deal for a few moments with some of the changes that are proposed. First of all I want to deal with the first proposal to reduce the income tax by 2 per cent right across the board. It seems to me this is a fair sample of the type of fiscal policy this government has been pursuing for some time. I have looked up the income brackets and the appropriate taxes for them and I find, for instance, that a married man with two children and with a gross income of $2,900 a year will save 36 cents under this new provision, but on the other hand if we go to the other end of the scale and take someone with a gross income of $42,800 and a taxable income of $40,000 we find that he will save $324.

I know, of course, that the argument in favour of such concessions is that they tend to encourage investment in Canadian enterprises and the development of our country, which is a very laudable purpose, but unfortunately the record shows that they do not have that effect. I have before me two documents prepared by the Department of Trade and Commerce. I find that in 1952 there was invested by Canadian private enterprise in business enterprises $4,130 million. This figure dropped to $4,108 million in 1954, and it is estimated that for 1955 it will be down to $3,874 million. As a matter of fact, in 1954 it went down to $3,835 million, belying the optimistic estimate of the department the previous year.

That would seem to indicate that all these concessions to people with large incomes in the hope that they will reinvest the money in

the further development of our country are quite fruitless. They are vain hopes, and it is not taking place. It is, of course, the decline in investment that has caused the unemployment troubles we have had in spite of the fact that public investment has increased to some extent, but evidently by the results not sufficiently.

This is not the only field, of course, in which the government is being quite tender. In one resolution there is a further provision for mining companies. I should like to deal for a few moments with the concessions that were already being made to mining companies, and the further concession being made in this resolution. There is of course a fairly plausible argument for granting depletion allowances because the owners of mines are working a diminishing asset. But I have never yet been able to see why depletion allowance should be permitted beyond the total of the investment made in the mine. I cannot, for instance, see why if I invest $100 in a mine and get my $100 back I have a right, at the expense of my fellow Canadians, to insist that from then on until the end of that mine I am still permitted to write off depletion allowance. That seems to me to be rather dubious justice. I suppose the argument is the same, to encourage these people to invest again in mining enterprises.

We have another provision which exempts them from income tax for the first three years of productive life. I would point this out, Mr. Chairman: If a mine is not making profits in the first three years of its productive life, and it is not likely to do so in many instances, there will be no corporate income tax to pay anyway; if, however, it is a profitable enterprise, for the life of me I cannot see why it should not pay its fair share of taxation as soon as it begins to make a profit. Again it is an attempt to provide funds, I suppose, for further investment by those who have that risk capital about which we hear so much.

As I pointed out, unfortunately Canadian capital does not seem to be very fond of taking risks. It cannot have been, otherwise we would not have had the $700 million of United States capital that was poured into this country causing some rather difficult financial and fiscal problems for us. Had Canadian capital been prepared to make these investments instead of seeking safe, sure existing investments, I doubt whether our United States friends would have found so much scope. But we go on hoping, of course, that if we leave plenty of money in the pockets of people who make plenty of money, they will invest it for us in the expansion of our industry.

In actual practice we find that what happens is that we have to rely on the people of the United States to do that. The only advancement we get is when the government does take the money off the people and invest it, in spite of the rather foolish way in which the government proceeds with some of its expenditures and investments. I suggest, Mr. Chairman, that today the government should very carefully reconsider this whole basic proposition that the economy as a whole is going to benefit by leaving as much money as possible in the hands of those who will not need to spend it all, and assuming that they are going to make the sort of investments that have to be made in Canada. As I say, the record shows they do not make them.

We have, in the first place, no means of directing that investment to desirable ends, to the sort of place that it requires to be put. We have no means whatever of controlling the volume of the investment. We have no means of preventing that investment from being made outside Canada, as it all too often is when more alluring investment prospects show up abroad. I should like, therefore, to see the government seriously consider abandoning this whole taxing philosophy that is based on the assumption that these savings are going to be invested in a way desirable to the people of Canada. Many of the sections of this resolution appear to be based on that.

For instance, we have a special provision with regard to the cost of financial promotion. I suppose there are arguments to be made for that if you follow this basic governmental assumption. But I suggest the whole assumption has not been borne out by history. It has been proven to be fallacious. While the hon. member for Greenwood is optimistic that the system of investing funds which landed us in the soup once before, brought us quite close to the threshold again and is apparently getting us to the danger point now according to the figures on unemployment, is going to work this time, I would suggest the wiser thing to do would be to listen carefully to the voice of history and admit the unpleasant fact that this method of investing surplus wealth has not been able in the past to ensure the continuous expansion of our economy, and has not been able to ensure continuous employment for our people. Until we have some direction of investment in this country, we are always going to be liable to that disastrous decline in production and consumption which has accompanied private investment in the past years.

Mr. Monteith: Could the minister explain just why item No. 5 is included here? I am assuming it means that rental income, after all expenses, depreciation and so on, is to be classified as earned income instead of unearned income. Why is the change made?

Mr. Harris: I shall be glad to answer the question, but I wonder if, since we are going to have a question period at this time, we could dispose of the first four resolutions and then I could answer the fifth.

Resolutions 1 to 4 inclusive agreed to.

On resolution No. 5:

Mr. Harris: The answer is just what the hon. member for Perth has in mind. We felt this would add some slight incentive, perhaps more than slight, to the person trying to retain or increase investment in rented real estate, by taking off the burden of the 4 per cent surtax. For that purpose, we are moving it into earned income.

Mr. Monteith: I think it might even work the other way, Mr. Chairman. I know of several instances where real estate is held, and after depreciation is deducted there is actually a net loss. The real estate loss is deductible from other investment income, so I do not think it always works out that way.

Mr. Harris: I think you might see the bill.

Resolution agreed to.

On resolution No. 6:

Mr. Monteith: What is the purpose of putting an investment company on a straight 20 per cent basis instead of allowing an election?

Mr. Harris: We have had a great many representations, Mr. Chairman, from investment companies that the present provision permitting election under certain terms is not wholly satisfactory because of the nature of their income, and claiming to be tax exempt in every respect. This is an effort to alter what has been unsatisfactory from the standpoint of the investment companies. So far as we are concerned we think that they have an argument in that respect. We have adopted a more understandable form of common taxation for all investment companies, placing them at the lowest taxation rate for corporations.

Mr. Macdonnell: Is the minister saying investment companies have asked for this change?

Mr. Harris: I did not mean to convey that. They had asked for an alteration in the present law, and this alteration has been the one which we have devised. Whether or not they are satisfied with it, I presume we will know after they have read the bill.

Mr. Macdonnell: Will the minister explain exactly what their taxation position is at the moment, that is before this new legislation comes into effect? My understanding is that in those cases where their income was largely from shares, they largely escaped taxation. But they did have a right of election. Can the minister explain to us what the situation has been? How many of those who did elect escaped taxation, and for what reason? What is their rough position going to be now that they are all to be subject to taxation?

Mr. Benidickson: This is one of the most complicated and technical of the resolutions. Perhaps the hon. member would, therefore, permit me to read an explanation. Companies can qualify as investment companies if they meet the requirements of section 69 of the act. When the dividend tax credit for individuals was introduced a few years ago, shareholders of investment companies found they could not obtain this tax credit for dividend allowance. They were, however, able to elect to pay a tax. Investment companies have been considered as really just a funnel through which the investors, if they qualify—

Mr. Macdonnell: Will the parliamentary assistant permit a question? If they elect—

Mr. Benidickson: Then the shareholders would have got the 20 per cent dividend allowance; but it was thought that it would be better to make them all pay and make them all entitled to the dividend credit.

Mr. Macdonnell: Take the case of a company that had income, let us say, 95 per cent of which came from shares and 5 per cent from bonds. If they elected to pay, am I correct in understanding that they elected to pay so that the shareholders then would be entitled to claim 20 per cent?

Mr. Benidickson: That is right.

Mr. Macdonnell: As it stands now, they will pay, but of course pay only on their taxable income which would be their income from bonds, so that on the income that they get they would still be in a position to take the 20 per cent.

Mr. Benidickson: On the shares.

Mr. Macdonnell: What is the final result of that? There is no longer any option. Am I correct in thinking the situation now is what it would have been before if everyone had elected to pay the tax?

Mr. Benidickson: It is very small, Mr. Chairman. The estimate is that the revenues

would actually have a net loss of about $250,000 for the current year and in a full year about $400,000.

Mr. Macdonnell: I want to go back to resolution No. 5 and resolution No. 10 together. In resolution No. 5 the minister sets out that:

> . . . rental income from real property shall not be included in income to which the additional 4 per cent tax on investment income applies.

In resolution No. 10 it says:

> . . . a corporation more than 10 per cent of whose gross revenue was derived from rents be disqualified from being treated for tax purposes as a non-resident-owned investment corporation.

Apparently the principle here is that of removing rental income from the investment category and placing it in the category of earned income. The minister, in presenting resolution No. 5, stated in part:

> In the case of rental incomes derived from the ownership and management of real estate, it has been found impossible to draw a consistent line defining the "carrying on of a business".

This conclusion has apparently been applied in resolution No. 10 in disqualifying the investment feature. My question is this. Section 68 (1) (b) and (c) describe a personal corporation as one who:

> . . . derives at least one-quarter of its income from . . . rents, . . . and did not carry on an active financial, commercial or industrial business.

Then the application of the principle involved in resolutions No. 5 and No. 10 would apparently remove from the classification of personal corporation a company more than 75 per cent of whose gross revenue was derived from rents, or sources other than those mentioned in subsection 1 (b). That is a complicated statement. I am wondering whether that is the intention?

Mr. Benidickson: I think it can be said that neither of these paragraphs, 5 and 10, interferes with or affects the present legal definition and status of a personal corporation. I would say that paragraphs 5 and 10 are each also quite distinct. Paragraph 5 refers to a Canadian taxpayer who has rental income, and the change is being made because it has been very difficult to draw a line between what would be income from carrying on a business and providing management and not subject to surtax or rental income that in some cases would be considered investment income and subject to the surtax.

Paragraph 10, of course, applies to a non-resident investment corporation, which has been exempt from regular corporation taxes if they meet certain conditions in the definition. An individual who is a non-resident and is receiving rents from Canadian sources has two things open to him. One, he may be charged the 15 per cent withholding tax on the gross rental that is paid to him as a non-resident, or he could file a business return statement and show his expenses and his income and pay the regular graduated personal tax on the net income. At present a non-resident-owned investment corporation can own real estate in Canada and pay tax at 15 per cent on only the net return from rentals after deducting expenses.

Mr. Macdonnell: Where does that leave the personal corporation? Let me read the definition of it from section 68 of the Income Tax Act:

> In this act, a "personal corporation" means a corporation that, during the whole of the taxation year in respect of which the expression is being applied,
>
> (a) was controlled, whether through holding a majority of the shares of the corporation or in any other manner whatsoever, by an individual resident in Canada, by such an individual and one or more members of his family who were resident in Canada or by any other person on his or their behalf;
>
> (b) derived at least one-quarter of its income from
>
> (i) ownership of or trading or dealing in bonds, shares, debentures, mortgages, hypothecs, bills, notes or other similar property or an interest therein,
>
> (ii) lending money with or without securities,
>
> (iii) rents, hire of chattels, charterparty fees or remunerations, annuities, royalties, interest or dividends, or
>
> (iv) estates or trusts; and
>
> (c) did not carry on an active financial, commercial or industrial business.

My question is: Section 68 describes a personal corporation which derives at least one-quarter of its income from rents; has section 10 therefore removed from the classification of personal corporation a company more than 75 per cent of whose gross revenues were derived from rents, or sources other than those mentioned in subsection 1 (b)?

Mr. Benidickson: Paragraph 10 does not in any way affect the definition of a personal corporation because a personal corporation is defined in 68, and we are not disturbing that. Section 10 relates to a non-resident-owned investment corporation, and that is defined in section 70. I cannot see any relationship. I certainly will take my hon. friend's question as notice, and if there is anything I have missed I shall certainly give him a full explanation when we come to the statute.

Mr. Macdonnell: While we are on resolution 10 may I ask a further question? Will the parliamentary assistant explain the reason for that change?

Mr. Benidickson: The reason is that this puts a non-resident-owned investment corporation in a fairer position with respect to a resident corporation. My hon. friend will also note that it is not suggested that the

change will come into effect in this taxation year. The non-resident corporations are thus given notice of our intention and they will have the opportunity—I think it is to the end of this year—to divest themselves of some rental income if it is consequential and so that they will get their rental income down below the 10 per cent if they want the low tax rate.

Mr. Macdonnell: I am still not quite clear. Am I correct in understanding that this is designed to remove a situation which gives an unfair advantage to the non-resident-owned corporation?

Mr. Benidickson: No, the other way around.

Mr. Macdonnell: As distinct from the domestic corporation?

Mr. Benidickson: It will make fairer the position of the resident corporation who has rental income as against the non-resident investment corporation. The non-resident investment corporation has been able to escape regular rates of tax with respect to substantial rental income earned in Canada.

Mr. Macdonnell: Then it is competition with the Canadian resident that is being considered. The non-resident has had an unfair advantage as against the Canadian resident?

Mr. Benidickson: Yes.

Mr. Macdonnell: That is what you are doing away with?

Mr. Benidickson: Right.

Mr. Cameron (Nanaimo): Could the parliamentary assistant give us some further explanation in connection with resolution 13, because I am a little puzzled to understand the wording. Presumably this provision is intended for mines in the process of development.

Mr. Benidickson: This is merely putting into regular statutory form what has been available for some time on a temporary basis and which was extended year by year. This makes the thing permanent until there is a change in the statute.

Mr. Cameron (Nanaimo): This gives the mining companies exemption for the first three years of production?

Mr. Benidickson: Which they enjoy now.

Mr. Cameron (Nanaimo): It is intended to permit a mine to get on its feet?

Mr. Benidickson: That is right.

Mr. Cameron (Nanaimo): Before it becomes a paying proposition. Why is this necessary?

[Mr. Benidickson.]

In the case of a mine in the process of development with no net income there would be no corporation tax payable, but on the other hand where you have a mine that gets into production during the first three years there would seem to be no justification for exempting their income from taxation.

Mr. Benidickson: The three-year rule is simply a common rule being applied to all. Some might make a profit early or in the first year and some might not. It simply means that we are not stepping in as soon as a profit is made. The three-year exemption applies to everybody.

Mr. Cameron (Nanaimo): It states that it is to be extended to mines coming into production at any time hereafter. That would mean that the period during which they can claim exemption is extended until they come into production.

Mr. Benidickson: Now it will apply whenever they come into production in the future. It has been on a temporary basis, if perhaps they did not come into production before 1957. There was no assurance of the future. We are removing that limitation; we are saying, whenever they come into production in the future they will have tax exemption for three years.

Mr. Nicholson: Mr. Chairman, the Minister of Finance was tied up with the provincial ministers of finance when I discussed income tax problems during my budget speech on April 28. I am sure the minister has been too busy since then to refer to those remarks, but I should like to have the parliamentary assistant make some comment on the few figures I gave then.

I might say that I was one of the very few members of parliament who did not cheer the night of the budget address when the minister announced a reduction in income tax. I feel that those in Canada who are fortunate enough to be able to pay income tax should not complain about the burden of taxation. In spite of all that has been said I do not think that the present Canadian income tax schedule can be classified as interfering with incentive.

On April 28 I referred to a table which had been prepared on the basis of information as to the distribution of non-farm income in Canada. According to this analysis 34·2 per cent of all families in Canada are in the position where they receive less than $2,500 per year. Then next we find that 63·8 per cent have incomes ranging from $2,500 to $9,999, while about 2 per cent have incomes of over $10,000.

I am sure that it must come as quite a surprise to hon. members in this chamber, many of whom have had the privilege of having taxable incomes, to realize that only 2 per cent of the families in Canada receive over $10,000. When one considers the schedule provided by the minister in his budget he will realize that when you get up to $50,000, $100,000 and $200,000 in the way of interest the percentage would be very small.

Taxation statistics for 1954 indicate that there are only 330 persons in Canada receiving incomes of over $100,000. It is true that they receive a very sizeable total of $48.1 million. Then in the group between $50,000 and $100,000 there are 1,510 persons. There are only 1,840 persons in Canada who receive incomes of over $50,000, and together those two groups receive $143 million. That very small group really should not complain about the taxes they have to pay. As has been stated so often, it is not how much you pay that really matters, it is how much you have left.

As I mentioned when I spoke before, a person getting $100,000 a year would have to pay a sizeable amount but after paying his taxes he would have left, on the basis of 300 days in the year, $163 a day to spend. The person getting $200,000 a year would have left $261 a day, while the person getting $400,000 would have left $419.38 per day.

I submit in all seriousness that before we give substantial relief to the persons in those brackets we should try somehow or other to get more people into the brackets where they would be paying income tax. It has not always been considered to be one of the responsibilities of the Minister of Finance to be concerned about the distribution of the national income, but I think the real objective of income tax has been to try to re-allocate the national income so that in the case of those who have not it will be possible for the federal government to have the resources available for family allowances, old age pensions, health and other desirable services.

I submit that in the next few years the Minister of Finance is going to have to worry about 34·2 per cent of Canadian families who have an average income of $1,500 a year. Anyone who has to go out to find living quarters on a rental basis, to pay for groceries, books, health and other services, will realize that it is just impossible to give his family the standard of living that we Canadians think we should have on an income of $1,500.

I submit that one of our fundamental problems is that 34·2 per cent who have to balance their budgets on $1,500. They are in the position where they are going into debt at a most alarming rate. I put figures on the record with regard to credit buying and the expansion of small loan companies which I think supports my claim that somehow or other we have to find ways and means to provide greater income for these 34·2 per cent. Those people should be able to get their hands on more money so they can buy the goods in Canadian stores and put more people to work. I hope that between now and next year when the minister is bringing down his budget he will take more from the privileged few in the higher brackets. I do not suggest for a moment that he take all the income from the 1,840 people in the higher brackets and that would solve all our financial problems, but those people who are in those higher brackets really cannot buy all the consumer goods that are piling up in our stores. I hope the minister will make some comment on the table I placed on the record at that time and the fact that such a large percentage of Canadian families have to get along on an average of $1,500 a year. This distribution of farm incomes points out that we have a large number of families of two persons or more, actually 8 per cent, who get less than $1,000. You have another large group, 7 per cent, getting between $1,000 and $1,499; and another 8 per cent between $1,500 and $1,999. Some ways and means have to be found of seeing that we change this very large percentage who are getting an average of $1,500.

Mr. Monteith: Mr. Chairman, item No. 7 states that costs of issuing or selling shares of capital stock of a company are to be exempt for taxation purposes. Does that refer to new incorporations or companies already in existence that are issuing further issues of shares?

Mr. Harris: It applies, Mr. Chairman, to all expenses of this kind, whether it is a newly incorporated or an existing corporation.

Mr. Monteith: All incorporation expenses?

Mr. Harris: It is intended to cover corporation expenses, which again will be set out in the bill, legal expenses and the like.

Mr. Monteith: Prospectuses?

Mr. Harris: Yes.

Mr. Cameron (Nanaimo): Mr. Chairman, I should like to ask the minister a question about section 2 of this resolution with regard to a reduction in the rate of tax on income of corporations from 47 per cent to 45 per cent. Am I right in suggesting that the idea of this reduction is the same as I mentioned before, that it provides funds for further expansion in industry? Is that the basic purpose of it?

If I am right in that assumption, then it seems to me that it would be more effective in producing new enterprises in this country to raise the exemption rate from $20,000 further up the scale rather than to provide the extremely massive tax reductions to some of the very large corporations in this country. I have in mind the largest one in my own constituency, which reckons its profits in the $15 million and $16 million a year category. This is going to be something really thumping for them. They do not need it. They have ample funds for all the expansion they can do. On the other hand, a higher exemption than $20,000 might very well provide the stimulus for an expansion of a smaller industry. Has the minister considered that angle?

Mr. Harris: Yes, there were the alternatives that the hon. member has stated. It was thought that the general across-the-board reduction would give the opportunity of expansion to every corporation to be used in such a manner as they, according to their best judgment, thought most desirable. On the other hand we could have done what my hon. friend suggests, increase the $20,000 figure; but we felt that on this occasion at least we should make the general reduction apply to all corporations.

Mr. Macdonnell: It is very pleasant for me to find myself in agreement with the hon. member for Nanaimo for once.

Mr. Cameron (Nanaimo): The devil can cite Scripture.

Mr. Macdonnell: What he said merits careful consideration and, without labouring the point, we might ask the minister if it is too late to consider that even now. After all, we all hope that little companies will become big companies in as large a number as possible. I feel that the step when it was taken was a good step. I believe it has been extended once already, and I wonder if it would not be possible to extend it again. I commend that to the minister because, notwithstanding the fact that I disagree with the hon. member for Nanaimo on many matters, I am conscious of what he pointed out, that we do want a larger number of smaller units and we do not want concentration in a few units. I feel strongly that whatever can be done to help the small fellow is doubly and triply worth while.

Mr. Harris: I am glad to find myself in the position, which I hoped I would be in at some time during the day, of having the two hon. gentlemen opposing me on something instead of fighting with each other. As a matter of fact, I sympathize fully with what has been said and, if I were in the opposition, I believe I would take precisely the same view. But, since I had to make the decision on one course or the other, I chose the one course, though I recognized the value and the virtue of adopting the other course. It is too late to make a change along the lines suggested by the hon. member, but I assure him the matter will be given full consideration.

Mr. Macdonnell: Is it necessary to remind the minister that he is neither a Mede nor a Persian, and, therefore, he can change and will not have to stay the same forever.

Mr. Monteith: Paragraph 8 of the resolution mentions "sale or realization of inventories or accounts receivable." I wonder if we could have an explanation as to why this clause is included?

Mr. Benidickson: Paragraphs 8 and 9 are related; one, the sale of inventory and the sale of accounts receivable—inventories sold in the normal course of business—

Mr. Monteith: It is both inventory and accounts receivable in paragraph 8.

Mr. Benidickson: Yes, in paragraph 8. Inventories sold in the normal course of business must be taken into account in computing income. Similarly accounts receivable are normally included in income in the year incurred or the year the report is received, depending upon the taxpayer's method of getting his accounts. However, following a recent court decision it appeared that some sales of inventories might have to be regarded as capital transactions and left out of the computation of income. Some doubt has also arisen as to whether accounts receivable of a taxpayer recording on a so-called tax basis could be made as to the tax when these are sold or payment is received by the taxpayer after ceasing to carry on business. This is a loophole that is taken care of.

Mr. Monteith: I believe I know the case to which the parliamentary assistant refers, which this is proposed to cover, where it had been granted there was a capital gain on the disposal of a business on inventory and accounts receivable. How does this operate as far as the fiscal year period goes? If it is an individual, it automatically means the calendar year 1955. If it is a corporation that, for instance, has a year ending February 28, 1955, and they happened to dispose of their accounts receivable and inventory in August 1954, are they affected?

Mr. Benidickson: Yes. While it has been past practice to require them to do this, and this will make it certain, it will be applicable

to a change that took place in August of last year. They will be required to follow this.

Mr. Monteith: In other words, it is retroactive to last year.

Mr. Benidickson: In the case of a corporation with a year ending this year.

Mr. Monteith: That does not seem to be quite equitable, does it?

Mr. Benidickson: Their return has not yet been made.

Mr. Monteith: It may well have been made by budget date. It is not required to be made for six months but it might well have been made. A company with a year ending January 31 would be in the same boat.

Mr. Benidickson: It is not out of line with recent practice. The department has been administering the act in this way. There were some uncertainties about it and it is just to eliminate that uncertainty.

The Chairman: Shall the resolution carry?

Mr. Monteith: No, Mr. Chairman. I think that this provision is not working to the detriment of a corporation if a corporation's year ends December 31, 1955. It affects them the same as it affects an individual proprietorship, business partnership and so on. It certainly seems to me to be to the detriment of a corporation with a year ending before December 31, 1955. I mean he may have made his disposal in the previous income tax year. He has, if he made it last August.

Mr. Benidickson: Prior to bringing down the bill we shall have another look at the hon. member's remarks and see if the point should be met.

Mr. Macdonnell: Will this section apply in the case of an individual incorporating himself?

Mr. Benidickson: During 1955, yes.

Mr. Macdonnell: I am not sure yet that I understand exactly how this works out. May we have an illustration? Here we have this language:

> 8. That for the year 1955 and subsequent taxation years proceeds of a sale or realization of inventory or accounts receivable of a taxpayer upon or after selling or ceasing to carry on a business . . .

I suppose one can understand "upon ceasing"; that is to say he sells the business to some new entity or corporation. I am not quite sure that I follow the transaction through. Might we have explained to us step by step exactly what happens and how the transaction is going to work out practically from the point of view of the man who carries that through? Let us take the case of a man who decides to incorporate his business and sells to the new company.

Mr. Benidickson: I think that transaction would be better shown if we had the statute before us. I would suggest to my hon. friend that I do that when we have the actual words that are going to apply in the statute.

Mr. Macdonnell: When we come to a study of the statute I think we will be in a much better position if we have a better understanding now. I find these statutes difficult to understand when I get them, largely by reason of the highly technical wording which makes them more difficult to understand. Could we not have just a play-by-play account of what happens here so that we may know the exact transaction that is contemplated and the exact way in which it works out? I think we shall then be able more intelligently to study the statute.

Mr. Harris: I apologize for intervening, Mr. Chairman, but I think the hon. member for Greenwood is making light of his knowledge of this situation. This is an effort to provide taxation for the sale of accounts receivable and inventory by a person or corporation in the manner which has been heretofore adopted. However, in every change in the law, in the sense of spelling it out, one has to put in many things. In the bill there are a great many explanations.

Mr. Macdonnell: Might I interject a question there? At this point would the minister tell us exactly what the evil is or what the gap in the legislation is which it is felt necessary to fill? What are the difficulties they have run into?

Mr. Harris: There is no evil whatever in any legislation that we have before parliament.

Mr. Macdonnell: It might have been passed so long ago that it was done by another party.

Mr. Harris: Even then I do not think I would apply that adjective. Actually, we are making sure that a person who sells his accounts receivable or his inventory should pay tax on the proceeds. As my hon. friend says, we have a situation where a business may be sold. It may be sold by incorporation and sale. The point is that at that time or subsequent to that time, the man will dispose of his accounts receivable and his inventory.

Mr. Macdonnell: May I ask a question there? If I understood the minister correctly, that disposition would be made after sale by the purchaser.

Mr. Harris: I was trying to combine the two into one. It may be that in the sale the accounts receivable would not have passed in ownership from the seller to the purchaser

On the other hand the inventory might very well have done so under those circumstances if there was a sale of a complete inventory. But let us suppose the situation where on a sale occurring you had everything pass, including accounts receivable and inventory. So far so good. You may, however, have a partial sale and after the initial sale you will have a sale of the accounts receivable. The purpose of this resolution and the consequent bill will be to tax in the hands of the vendor the proceeds from the sale of the accounts receivable or the remnants of inventory, whatever they may be. As my hon. friend will see, there is a provision as to the method of taxation, spreading it over the three-year average.

Mr. Monteith: Why is that done, actually? I refer to spreading it over three years. If a man has $100,000 of inventory and he disposes of his business, why should not that inventory be taxed at the rate in that year? He has paid taxes in the previous years on his profit in those years.

Mr. Harris: That is quite true. But I do not think my hon. friend would suggest that we ought to tax this wholly in the one year received because he would undoubtedly pay at a higher rate than that which we now propose to charge under this provision.

Mr. Monteith: I am just wondering why the three-year period was picked. Why not five years, as is done in averaging farmers' income, or something like that?

Mr. Harris: One must fix a time. Three years looks like a good average which will permit fair taxation for what should be paid. But if my hon. friend feels that it ought to be one year or two years or five years, perhaps he can make a better argument than I can make for three years.

Mr. Monteith: I just wondered what the purpose of it was.

The Chairman: Shall the resolution carry?

Mr. Monteith: Mr. Chairman, I wonder if this is what is in the minister's mind. Suppose a company has $1 million of inventory at the end of one particular year and shows a $1 million profit; then say at the end of the next year it has a $1 million inventory and shows $1 million profit. Then in the third year suppose they sell the business and they happen to get $2 million for their inventory. The profit would be commensurate with that on the previous year's operations and so on. Suppose they sold just at the end of the year. There would be $2 million profit on that basis. But this provision would put all the $1 million extra inventory over the three years.

Mr. Harris: Yes; because quite obviously the increased value has probably not occurred all in the one year. There has been a gradual build-up of profit in the inventory.

Mr. Monteith: It is really a protection against somebody showing a deflated inventory which he eventually sells at an enhanced figure. Is that correct?

Mr. Harris: Yes. That is what occurs. But I prefer to put it on the other ground, namely that it is relief against high taxation if it were charged in the one year.

The Chairman: Shall the resolution carry?

Some hon. Members: Carried.

Mr. Monteith: I wonder whether the minister could give us an explanation of paragraph No. 9?

Mr. Benidickson: This is another loophole provision of a rather technical nature. My hon. friend would probably like an explanation.

Mr. Macdonnell: This is not a defect in legislation, by any chance, is it?

Mr. Benidickson: No. We sometimes find that the act is deficient. This paragraph proposes a special tax of 15 per cent on corporations the control of which has been acquired by a non-resident corporation or a tax-exempt organization in Canada. The tax will be calculated with reference to the amount of designated surplus the corporation pays out by way of dividends to the non-resident corporation or to the tax-exempt organization. The general procedure for a company which has an accumulation of undistributed earnings is to distribute this surplus as dividends so that it becomes taxable in the hands of the individual shareholders, or the company may elect, under the appropriate provision of the Income Tax Act, to pay tax on it at 15 per cent so that it becomes what is called tax paid undistributed income. This of course may be capitalized under certain other provisions of the act well known to my hon. friend—section 105.

The present law also provides that if one Canadian company acquires control of another which has an undistributed surplus this undistributed surplus of the acquired company at the time control is acquired becomes a designated surplus as defined in section 28 (6) of the act. Dividends paid, therefore, out of the designated surplus to the company that has acquired control bear tax at the regular corporation income tax rates in the hands of the controlling company.

However, it was found that these taxes could be avoided if control of a company with undistributed income on hand was acquired by a non-resident corporation or a tax-exempt organization.

Mr. Macdonnell: If control was acquired by a non-resident corporation it would then escape tax?

Mr. Benidickson: It did, yes.

Mr. Macdonnell: And this says that a corporation resident in Canada which pays a dividend out of a designated surplus to a non-resident corporation exempt from tax will be subject to a tax of 15 per cent. You are putting yourself in the position of getting the same 15 per cent that you would get otherwise.

The Chairman: Shall the resolution carry?

Mr. Macdonnell: No. I should like an explanation of paragraph No. 11.

Mr. Benidickson: Because of the difficulty of ascertaining just where and how income is earned in the operating of ships and aircraft most companies have exempted such income from taxation. However, the earnings might be exempt in the foreign land and also exempt in Canada. This is another loophole provision. We are just trying to avoid having Canadian companies become a haven for escaping taxation anywhere with respect to operations of this kind.

The Chairman: Shall the resolution carry?

Mr. Macdonnell: No. Could we have an explanation of paragraph No. 12?

Mr. Benidickson: This is new. It has been found that non-resident owners of certain timber reserves in Canada have been able to escape the normal tax that is payable on income of non-residents. I explained a little earlier how the non-resident would be subject to the withholding tax on his income from rents and so on. This provision will be similar. It is to make clear that on incomes from timber royalties a non-resident will pay the withholding tax.

Mr. Monteith: You say "from timber royalties". The paragraph reads:

> That payments made after April 5, 1955, to a non-resident, computed by reference to the amount of timber cut or taken from a timber limit in Canada be subject to the 15 per cent tax on income from Canada of non-residents.

That is the ordinary withholding tax. It refers to payments but that does not sound like income earned.

Mr. Benidickson: I referred to "timber royalties". That is a common phrase by which we would describe that kind of income, income calculated by reference to the amount of timber cut, stumpage and so on.

The Chairman: Shall the resolution carry?

Mr. Macdonnell: I want an explanation of paragraphs 14 and 15. In that regard I wish to refer to an editorial in the Montreal *Gazette* of May 9 which is based, I think, very largely on a statement made in the house by the hon. member for Calgary South with reference to the whole question of depreciation. The *Gazette* takes up the matter under the caption, "Handicapping Our Own." As hon. members know, the suggestion of the hon. member for Calgary South is that we are not giving a fair break to Canadian enterprisers. I am going to read briefly from the editorial in the *Gazette* and then I want to ask if we may be given an adequate statement showing us the approach of the government to this question of depreciation, because it seems to me one of very great importance. I shall read briefly from the editorial and then ask the minister or the parliamentary assistant to reply. It reads in part as follows:

> The discrimination against the Canadian investor in Canada comes about from the different tax regulations in the two countries on the question of depletion. The importance of these differences was well set out last week in the House of Commons by Mr. Carl O. Nickle, member of parliament for Calgary South. Mr. Nickle drew attention to the fact that the depletion allowances in the United States are so much more generous that a United States company coming into Canada has a huge advantage over Canadian companies.
>
> Depletion allowances are basically a recognition that a well or mine producing oil, gas, coal or any other mineral is a "wasting asset", strictly limited in the ultimate production it can yield. If the owner is to stay permanently in business, he must continuously explore for new wells or mines. Therefore an industry that must be seeking new reserves to prevent expiry incurs expenses that do not belong to a business that is not concerned with "a wasting asset".
>
> This principle, to be sure, is recognized in both countries. The trouble is that it is recognized far more fully in the United States than it is in Canada. Here is the difference.
>
> In Canada, for instance, operators of oil or gas wells are entitled to a depletion allowance amounting to 33⅓ per cent of their profits. But they may claim such a depletion allowance only out of net profits, if any, after other taxes have been paid. And they can claim depletion allowance only after they have completed making all tax allowances for the expenses of exploration and development.
>
> Under United States law, however, a company is permitted to make deductions for depletion before, not after, it has recovered the expenses of exploration and development. And these United States regulations apply whether the costs of exploration and development were incurred in the United States, Canada, or elsewhere. And, in addition, a company is permitted a choice of method in calculating depletion allowance, whichever may be the more to its advantage: either 27½ per cent of gross production income, before other taxes; or 50 per cent of net income after other taxes.

How do these differences work out in practice? Mr. Nickle shows how severely they discourage Canadian development by Canadian investment. In the first place, the huge expenditures in recent years have far exceeded gross production income. Only one-tenth of the Canadian companies engaged in exploration are in the position of having net production income against which to apply depletion allowance. The actual benefit of depletion allowance to date has been only about 1 per cent of the spendings made to replace and increase proved reserves. Therefore the conditions under which the depletion allowance is possible under Canadian tax law are so severe as to be inaccessible to most Canadian oil and gas companies.

In the second place, it is often better, under the Canadian tax law, for a Canadian company to undertake no exploration for new replacement resources but just to exhaust those already proved. In other words, the law encourages Canadians to abandon or curtail exploration at the very time when it should be encouraged. And in the meantime, the United States tax law is encouraging United States companies to do what Canadian companies are discouraged from doing.

There is no need to follow extreme policies of "Canada for Canadians". But surely there is no need to place our own investors at a disadvantage when competing in Canada with investors of the United States.

Now, that explains the argument and the criticism which is made, and I should like to have an answer.

Mr. Harris: Well, I am glad to know we are on the last item just before six o'clock. I would not want anything I say now to precipitate a long debate on this subject which I must say, with due respect, needs a great deal of consideration. I am prepared to make a short statement for the record. I had expected perhaps the hon. member for Calgary South would be here either now or when the bill is considered to deal with this particular point. If I do make a statement I would hope that he and others would consider it, and at a later time our views could be expressed at greater length. Perhaps the resolution could pass in the meantime, if that is agreeable to my hon. friend.

Mr. Macdonnell: I do not want the minister to read it on the understanding we are necessarily going to pass this resolution before six o'clock. I would doubt if that is going to happen. I do not want the minister to be misled.

Mr. Harris: Since it is still the last resolution, may I ask the indulgence of the house to continue after six and pass it, unless there is a great deal more comment about this resolution than it appears there might be.

Mr. Macdonnell: Could we wait until we hear what the minister has to say?

Mr. Harris: I did notice that the hon. member for Calgary South had made a rather lengthy and quite serious contribution to the debate some time ago on this particular point.

[Mr. Macdonnell.]

Of course, he is well qualified to speak about this particular business with which we are dealing. The fact I am not prepared to agree with his conclusion does not alter the fact his views are seriously considered on every occasion he presents them to the house. The whole burden of his speech seemed to be the same as that which was interpreted by the article the hon. member for Greenwood just read. It seemed to imply that foreign investment in Canada is given a better break than domestic investment. This is not so.

It is quite clear that companies operating in Canada, whether they be Canadian or foreign owned, are treated exactly the same by our laws. I think the hon. member for Calgary South would agree with that. It is true, however, that in the United States there are certain provisions with respect to depletion allowances which are slightly more generous than in our own country.

Mr. Macdonnell: Would the minister permit a question? Would it not be fair to say the hon. member for Calgary South was basing his argument on the over-all position of a United States company, including its treatment in the United States?

Mr. Harris: Yes, I quite agree. But I should like to point out, sir, that when the Paley commission in the United States came to look into the whole pattern of tax laws, both in that country and in our own, they came to the conclusion that the United States tax law was slightly more generous—I emphasize the "slightly"—in its treatment of the oil industry and slightly less generous in its treatment of the mining industry than Canadian law. I am ready to concede there are certain technical provisions in the United States law which are more generous than our own, but it should be pointed out at the same time that at the present time our corporate rate will be 47 per cent whereas it remains at 52 per cent in the United States.

I am inclined to think my hon. friend has been working on a rather slim basis if he is trying to show that on the over-all competitive position there is a factor weighted against the Canadian oil and gas industry. It is always easy to point out, of course, the more favourable factors in other countries while overlooking the unfavourable factors in those other countries. After dealing with the international competitive aspects of taxation, the hon. member attempted to show that our method of allowing depletion operates to discourage exploration.

I must say I found that difficult to understand, just as I have found all other presentations that have been made to me by the

various interested groups difficult to understand. The argument, as I understand it, is that a company, after having achieved substantial production, is to a large extent deprived of its depletion allowance if it continues to explore. I am not prepared to accept that conclusion, nor am I prepared to accept the illustration he gave in the course of his remarks earlier this session. Every dollar of expenditure on exploration frees a dollar of profit from tax. This is the essence of the deduction for exploration expenses. The depletion allowance, so-called, frees only one-third of the profit dollar from tax. It seems to me it is quite obvious that the company which undertakes to explore is not discouraged therefrom, having regard to the fact that if from further exploration greater production is secured and he receives his one-third exemption on the profits therefrom at that time. His immediate depletion allowance is postponed because he has already secured an exemption from the deduction of exploration expenses. I have never felt the argument the hon. member has made—I must say that this goes as well for those associations who approached me last fall in this connection—is doing justice to the oil industry and the problems it has to face.

I believe I have stated fairly generally the position. If my hon. friend wants to consider it in terms of dollars, of course it is obvious that under certain conditions a greater tax benefit will accrue to Canadian corporations if we follow the proposal made by the hon. member. This does not mean it should be granted. All of us can think of special arrangements which would result in lower taxation for corporations, but it is not conceded that if they do not get them their exploration activities should be curtailed.

Mr. Fleming: There are several points about which I should like to ask the minister, not related especially to this last item.

Mr. Harris: We have gone through them all.

Mr. Macdonnell: May I say that we have gone through them in a way, but we have ranged all over creation. We did not take them up, as I originally suggested, item by item. It seems to me fair that the hon. member for Eglinton, who has been kept at a committee meeting, should be allowed to make what comments he wishes.

Mr. Harris: I have no objection, except I thought the hon. member for Greenwood and the hon. member for Perth had been working through the resolution systematically and I thought they were representing their party.

Mr. Fleming: These are individual points, Mr. Chairman, which I think are not related to any main argument. I do not intend to discuss them at length.

Regulation No. 1000, passed under the provisions of section 26 of the Income Tax Act, makes provision for exempting the income of nurses-in-training. It provides that for the purpose of the section income does not include income from employment as a nurse-in-training. This relates to the dependent of a taxpayer, the dependent being the nurse-in-training. I fully support the provisions of the regulation so far as they go, but I am wondering why a similar provision could not be made in other cases.

At the moment I am thinking of the case of the social-worker-in-training who, from the point of view of public policy, could well receive the same type of consideration as is accorded the nurse-in-training. Perhaps we should say rather their parents, on whom they are dependent, should receive the same consideration. I should like to bring that to the attention of the minister and ask him if he will not give consideration to an amendment to the regulation to include within the scope of the exemption the case I have mentioned of the social-worker-in-training, and put her on the same basis as the nurse-in-training.

Mr. Harris: I am afraid I am slightly prejudiced on this particular point at the moment. We had not considered it in the light in which the hon. member for Eglinton has placed it, and I would be glad to do that. I think I know some of the difficulties which in previous years have rather restricted the class of persons and led eventually to the opening up to nurses-in-training. I must say that I am not too familiar with the principle on which the decisions are made. I shall certainly consider the case of the social-worker-in-training.

Before my hon. friend came in I made a special appeal to continue until these resolutions were disposed of.

Mr. Fleming: I am ready to go on. Some one called it six o'clock.

The Chairman: Shall we continue?

Mr. Fleming: There are two other points, Mr. Chairman. The first concerns the large number of taxpayers who, at the present time, by reason of deductions at the source, are obliged to file claims for refunds. It seems to me that consideration should now be given to some change in the provisions of the act so that the rate of deduction at the source shall not be so high that so many taxpayers will be required to file claims for refunds.

At the present time, as I understand it, more than half of those who filed returns for the calendar year 1954 will be eligible for refunds totalling $146,000,000. The figures I have before me indicate that in Ontario alone 2,010,000 taxpayers are expected to file returns and that refunds will be payable in about 1,040,000 cases. This is rather typical of the position across Canada.

The method of deduction at the source in the case of persons whose incomes consist of wages and salaries is well recognized. I remind the minister that the percentage of deduction was increased several years ago. At that time the point was raised as to whether the increase was not so great that many people would be obliged to file claims for refunds. Now we have arrived at a situation where the government is taking, by way of deductions at the source, money from more people who are entitled to refunds than those who will find themselves having some further payment to make at the end of the year. That is a situation that should not be allowed to continue. Taxpayers whose income is drawn from other sources are not in that position. The position is accepted that in their case they pay the balance which remains owing on April 30, after they have paid their quarterly instalments during the income year. For that reason, it seems to me the time has come when the percentage of deduction at the source should be eased somewhat so that so many taxpayers will not be required to make claims for refunds.

Mr. Harris: The fact that the numbers claiming refunds appear to be increasing, as my hon. friend has said, would be an indication perhaps that the percentage being deducted might have to be reviewed. The hon. member made reference to this in his speech on the budget. I am making inquiry, sir, and shall continue to do so.

Mr. Fleming: The other point I should like to raise arises out of a Canadian Press dispatch of March 17. I presume this has already been drawn to the attention of the minister, but I raise it for his comment. The dispatch is datelined Kitchener, March 17, and reads as follows:

> An income tax official last night described as "vicious" a section of the federal Income Tax Act which gives civil servants power to seize property without a prior court hearing.
>
> H. R. McGrogan of the income tax department in Ottawa said that to his knowledge no other government department, person or corporation in Canada has such power.
>
> He told a meeting of farmers that under the section, a department assessor can at any time make an assessment or re-assessment. Whether or not the taxpayer owes the money, he must pay it to the Department of National Revenue within 45 days. If he does not, the department has the right to seize all his assets to satisfy the assessment, Mr. McGrogan said.

I do not think I know the official mentioned, and I cannot vouch for the accuracy of his description in all respects, but I would ask the minister to comment on this matter. I am sure it must have come to his attention before.

Mr. Harris: As a matter of fact, Mr. Chairman, this is the first time I have heard of it and without appearing to postpone the issue may I say that that also would be a matter of administration to which the Minister of National Revenue might make an answer. In the light of that, at the moment I am sure that I am aware of the practice and of the law which permits the seizure of documents and the like for the purpose of establishing assessments, if that is what my hon. friend is referring to. I think he will agree with me that such a power is necessary, though I admit that one does not want to have to exercise it unnecessarily.

If on the other hand he is referring to seizure of property for the purpose of satisfying a debt, then I shall be glad to look at the appropriate section, if it can be drawn to my attention.

Mr. Fleming: The press dispatch refers to the latter case. The seizure of documents is not mentioned. The taking into custody of documents in the course of investigation is a well-recognized procedure in the act and is not mentioned in this dispatch. I take it that the official is referring to the provisions of the act permitting the department to enjoy extrajudicial rights in the matter of the seizure of property. I have in mind the use the department makes of its right to attach wages and salaries for arrears without any judicial finding on the subject and without those restraints that normally attach to the execution of judgments.

Mr. Harris: I am informed that this arises after a certificate has been granted by the courts as to the amount owing and that, acting upon that certificate, certain seizures may be made. However, I am told by one of my officials here that the particular matter is known and I shall be glad to see that the whole details are given to my hon. friend. I am assured that it is in consequence of sections 119 and 120 of the act which do provide for seizure after certificate, and that the press report does not disclose the full story.

Mr. Macdonnell: There is just one final point that I want to bring to the attention of

the minister. It is a matter that has been up here more than once. It has to do with the self-employed person's right to participate in a scheme of retirement benefits. The minister's predecessor turned this down and emphasized a good deal the mechanical difficulties. I am not taking the time of the committee now to go into it, but I do ask the minister to give this whatever consideration he can because it is obviously a matter which, if it can be arranged, is of vast importance to a very large number of serious citizens of this country.

Mr. Harris: I have read all of the past debates on this subject, and I have received many deputations and I have spent considerable time with my officials discussing it. I think I should only say it is true that my predecessor did emphasize the administrative difficulties and perhaps placed the onus on the public generally to find a way around these difficulties. But we have given consideration to it, and will continue to give consideration to it, having in mind that Mr. Abbott did place on the record some of the difficulties and at the same time suggested that while the principle was not precisely that which was placed before the house by those who were representing the arguments that there should be such a deduction, nevertheless we know that a great many people feel that something along this line should be done. With that in mind we shall continue to study the problem.

Resolution agreed to.

The Chairman: Do I understand we are to continue with the excise tax resolution at eight o'clock?

Mr. Harris: Yes.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

EXCISE TAX ACT

That it is expedient to introduce a measure to amend the Excise Tax Act and to provide amongst other things:

1. That the excise tax on automobiles adapted or adaptable to passenger use be reduced from 15 per cent to 10 per cent.

2. That the excise tax on tires and tubes for automotive vehicles of all kinds be repealed.

3. That the sales tax on the following goods be repealed:

(a) materials to be used exclusively in the manufacture or production of feeds for poultry, cattle and other stock and fur-bearing animals;

(b) creosote oil and other wood preservatives when for use exclusively in the treatment of timber, poles or lumber;

(c) material to be used exclusively in the production of terrazzo flooring;

(d) perforated bituminized fibre pipe for drainage purposes not to exceed four inches in diameter;

(e) rims for kitchen sinks;

(f) floor tile;

(g) wallpaper.

4. That any enactment founded upon this resolution be deemed to have come into force on the sixth day of April, nineteen hundred and fifty-five.

Mr. Harris: Mr. Chairman, on a point of order. This may be the best time to announce the business for the rest of the evening. Should the excise tax resolution pass, it is not our intention to go on with the Customs Tariff changes but to go into supply and take the Department of Agriculture.

Mr. Fleming: Mr. Chairman, it is undoubtedly a welcome occasion when a resolution under the heading of the Excise Tax Act proposes reduction in or repeal of excise taxes on certain commodities without at the same time proposing increases or new taxes. Therefore, as far as this resolution goes, I am sure it commends itself to the favour of the house.

However, in accepting the proposal for certain reductions and the repeal of certain taxes and before going too far in our enthusiasm it might be well to remind ourselves that it was this government which imposed the taxes which the committee is now asked to reduce or repeal.

There are several aspects of the resolution and of the excise and sales taxes broadly that I should like to comment upon briefly this evening. I suppose the leading feature of the proposal now under discussion is the proposed reduction in the excise tax on passenger automobiles from 15 to 10 per cent and the repeal of the excise tax on tires and tubes for automotive vehicles. The reduction in the excise tax on automobiles from 15 to 10 per cent is indeed welcome, but I should like to submit to the minister and to the committee that this tax is still too heavy.

This tax was applied in the first instance and presumably continues today as a luxury tax; it was introduced under that guise. In my submission it can no longer be defended as such. To a vast majority of the owners in Canada a motor car can no longer be regarded as a luxury, but in the light of modern conditions must be regarded as a necessity. However, our tax legislation takes no account whatever of that fact. The burden which this tax has placed upon the automotive industry in Canada, and indeed the acute way in which it has been making itself felt latterly, are well known to every hon. member of the house. We have on every hand

evidence of the increasing state of disorganization in motor car sales right across Canada.

The automotive industry is a major employer of labour in Canada. Any reduction in the unfair load of taxes now borne by that industry is bound to reflect itself not only in a more equitable distribution of the burden of taxes but also in increased employment of Canadian workmen. While I do not propose to protract my comments on this subject I wish to emphasize that while this modest reduction in this tax is welcome it points to the necessity of a more resolute approach by the Minister of Finance and a more effective grappling with the problem and the realization of the need of further reductions or the removal of the tax which has become to an ever-increasing degree an unfair imposition.

The position in which many motor car dealers have found themselves since the minister introduced his budget resolutions is also worthy of note. I am sure that all hon. members have had representations made to them by motor car dealers concerning the position in which they find themselves as a result of the budget proposals, leaving them in so many cases with large inventories of motor cars on which they had already paid the 15 per cent excise tax. With the public expecting to receive immediately the benefits of the reduction announced by the minister, the dealers have been called upon to bear the full burden.

The attitude taken by the minister when this question was raised originally in the house was, I suppose, the traditional one. In effect the minister said that he could not consider making any adjustment either in regard to the effective date of his proposal or in the tax-paid position of motor cars held in stock by dealers. He seemed to imply that these were the same dealers who had derived some benefit in earlier years when the tax was being imposed or increased. It may be that when these taxes were imposed or increased in earlier years some people would derive benefit in so far as they had stocks on hand, but it is entirely unfair to assume that those same people are in business today in the same way and are now simply being called upon to part with the equivalent of some of the benefit that they received in earlier years in consequence of the introduction or increase of this tax. This is a very different situation.

The matter was raised later on May 18 when a question was put to the Minister of Finance on the orders of the day asking whether he was prepared to give further consideration to the matter. At that time the Minister of Finance indicated in effect that he would consider the matter. It seems to me that the time has come when the Minister of Finance must make his position abundantly clear. If he had no intention of affording any measure of relief to these dealers who are in the position I have described, then I am afraid it was a cruel way in which the minister may have given them some hope of relief when on this recent occasion he intimated that he was giving consideration to their problem.

On the other hand, if the minister has given serious consideration to the matter and if he is going to afford any relief in this situation it is time that he announced what the government proposes in that respect. If there is to be any measure of tax relief in this regard it must be proposed now because otherwise the administrative difficulties in calculating any claim for tax refund are bound to multiply as the days pass. Therefore the matter calls for an immediate announcement on the part of the minister.

When the government is announcing a reduction in the excise tax it is easy enough to content ourselves with welcoming it, but I ask the house to observe the commodities upon which it is proposed that the tax be reduced. All of these are commodities upon which a reduction in the taxes is justified and indeed overdue. But let us remind ourselves at the same time, Mr. Chairman, that there is a long list of commodities more closely and intimately related to the necessities of life than any of those on the list before us now, upon which no reduction of indirect taxes is proposed by the government. Do hon. members of this house keep adequately in their minds and on their consciences the fact that this government goes on levying under the Excise Tax Act taxes upon the very necessities of life, upon our clothing, our boots and shoes and household furniture, certain prepared foods, and indeed on many drugs and medicines that are essential to those who require them?

I do not know how long this government thinks it can justify the continued imposition upon the Canadian people of a 10 per cent sales tax on commodities as essential as these to the average Canadian family. Think of it—the government deriving revenue by an imposition upon clothing, boots and shoes, household furniture, drugs and medicines. I hope that members of this house will in their might and in their indignation make it abundantly clear to this government and to the Minister of Finance that they will no longer tolerate heavy impositions of this kind that add so grievously to the cost of the necessities of life.

It is well that we should remind ourselves also that these taxes are levied at the manufacturer's or producer's level and, as everyone knows, as these goods pass from hand to hand, to the wholesaler, to the jobber, to the retailer, and finally to the consumer, they attract mark-ups. Concrete cases have been given to the house on similar occasions without number in the past, to demonstrate beyond all challenge or question that a tax that begins as a 10 per cent tax at the manufacturer's level will in most cases become a tax of 20 per cent or more when the goods are sold by the retailer to the consumer. The consumer, in the case of these indirect taxes, is never told what portion of the price he pays for goods goes to pay these taxes. They are hidden; and because they are hidden they are popular with a government that chooses to go on levying these taxes and avoiding as far as it can the wrath of the taxpaying public, by not letting the taxpaying public know what portion of the price is collected by the government in taxes.

A tax of that kind as applied to the type of commodity of which I am speaking is doubly iniquitous. It is bad enough that there should be taxes upon these basic necessities of life, but far worse that they should be applied in such a manner as to go on attracting mark-ups, mark-ups on mark-ups, and marks-ups on mark-ups on mark-ups, all at the expense of the consumer. That is another feature of this tax which in my submission this house can no longer tolerate. The government is not going to remove these taxes from the necessities of life, nor substitute a fairer system of collecting taxes than through the medium of indirect taxes in the way I have described, unless hon. members of this house, aroused and indignant, make that demand.

One could go further. Do we stop adequately to ponder upon the effects of these taxes as applied to purchases made by municipal governments or boards of education across Canada? It is a fact that there is no exemption in favour of municipal councils, school boards or boards of education; and the municipal taxpayer, already bearing a crushing burden of taxation under the present condition of unfair distribution of tax revenues as between the various levels of government, has his burden increased by reason of federal impositions on purchases made by his board of education, school board or municipal council.

This is no small matter. Many municipal councils and boards of education have made representations to the government about it in times past. The increasing gravity of the revenue position of the municipal governments is emphasized by the degree to which municipal governments and school boards are expressing themselves firmly on this subject. Many of them have passed more resolutions in recent times than ever before. I should like to read a resolution that was passed a few weeks ago by the municipal corporation of my own city of Toronto, conveyed in the following telegram from His Worship Mayor Nathan Phillips:

> For years Canadian municipalities through Canadian Federation of Mayors and Municipalities have sought to have supplies and materials purchased solely for municipal purposes exempted from federal sales tax in the same way as exemption now granted to provincial governments, their boards and commissions, as well as hospitals. Government indicated that such exemption too involved, notwithstanding that other governmental bodies and hospitals were exempted and similar exemption given on books, newsprint and other materials used in newspapers and magazines. Municipalities now bearing crippling financial burdens and exemption from sales tax would provide some measure of relief at comparatively little cost to federal treasury. Earnestly solicit your support of such exemption when budget before house for consideration.

Similar communications went to all the members from Toronto, and I am looking forward to hearing something said on this subject by Liberal members from Toronto constituencies. It is time indeed that they made their voices heard on this subject in this chamber and that they declared themselves on this important matter of federal taxes on purchases made by municipal governments and boards of education. It is grossly unfair that in the face of the burden being carried by these municipal bodies the federal government should be collecting taxes on purchases of goods made by them for their use, which means for the use of the municipal taxpayer.

There is one final matter upon which I should like to dwell briefly. It is also a matter of high importance. Surely the time has come when steps should be taken to exempt welfare and philanthropic organizations from the burden of sales tax on goods purchased by them for use in welfare work.

This matter has been raised in the House of Commons before. For my own part, I have raised it every year for a good many years past. It is becoming more urgent than ever for these worthy organizations. There is not one of them that is not faced with serious financial problems in meeting the growing demands made upon such organizations. There are abundant evidences that they are now more alive than ever before to the unfair burden that is cast upon them when the federal government taxes them on their purchases of goods for use in their beneficial work.

Let it not be said that the administrative difficulties in the way are too great to be overcome. Adequate safeguards could be attached to the type of exemption for which I am pleading here tonight. Safeguards have been proposed by many of these organizations in their submissions to the government. There are four in particular which I have found in some of the communications on this subject submitted by such organizations. The four are as follows: First, that the social welfare organization in question should be certified by the Department of National Health and Welfare as a bona fide social welfare agency, organized and operated exclusively for charitable purposes, the proceeds of which are used in the public interest and not for the benefit of any special individual or group. The second is that they should be qualified as a charitable organization permitted to issue receipts for donations which exempt them from income tax. The third is that the organization should be incorporated as a non-profit organization for charitable purposes; and the fourth is that it undertake an annual audit of accounts by a chartered accountant. With those safeguards there need be no fear of administrative difficulties or of improprieties on the part of those seeking this needed exemption.

Mr. Chairman, these are but a few of the urgent problems which this budget, in relation to the Excise Tax Act, has ignored. It is deplorable that, in the face of urgent problems like these, the Minister of Finance has chosen to ignore not just one, but all of those that I have mentioned. It will remain for hon. members of the House of Commons to make known to the government in firm and resolute terms that they will no longer tolerate a continuation of its imposition of the burden of these indirect taxes in the cases that I have mentioned.

The Minister of National Health and Welfare is in the house.

Mr. Martin: He is always here.

Mr. Fleming: I think it is time that he should make his voice heard by his colleague the Minister of Finance in pleading for consideration for welfare organizations. The bulk of welfare work in Canada is not carried on by government departments. It is not carried on by the Department of National Health and Welfare or by the corresponding provincial departments. The bulk of welfare work in Canada today is carried on by organizations of the kind I have mentioned. Why then should they be handicapped by federal tax impositions? They are not asking for any favour. They are simply asking that the burden that has been unfairly placed upon them by the federal government should be removed from them. I hope the committee will have the opportunity tonight of hearing from the Minister of National Health and Welfare some statement to indicate that, as far as he is concerned and as far as his department and its policy are concerned, they seek urgently at the hands of the Minister of Finance consideration for this problem and an early removal of a burden of taxation which cannot be justified.

Mr. Cameron (Nanaimo): Mr. Chairman, I am sure we will all agree with the hon. member for Eglinton that one of the most deplorable features of the sales tax is its cumulative effect in what he has described as mark-ups on mark-ups on mark-ups. But it occurs to me that it is hardly fair to blame the government for this particular feature of the sales tax situation because the government, like my friend the hon. member for Eglinton, is firmly committed to the maintenance of what is humorously known as free enterprise. This cumulative sort of racketeering is merely one of the features of the capitalist system.

Mr. Studer: You should make that speech in Saskatchewan.

Mr. Cameron (Nanaimo): I should be delighted to do so. I should be delighted to come and make it in your riding.

I am more heartily still in support of the hon. member for Eglinton in his attitude with regard to this imposition of sales tax on municipal purchases. For the life of me I cannot think what argument can be brought forward in favour of it. I think it is a vicious principle that a senior government should impose taxation on a junior government. When one bears in mind the fact that many municipalities—and many municipalities in my part of the world suffer badly on this score—suffer from the effects of federal crown property within the limits of the municipality, with the consequent very deteriorating effects on municipal revenue, that consideration would seem to me to be an added argument for the abolition of the sales tax on all municipal purchases. It is a fantastic proposition that the taxpayers as municipal taxpayers are obliged to dig into their pockets to pay revenue to the federal government while at the same time being obliged to pay the ordinary federal taxes. I think that is something that should be made one of the items on the agenda of any provincial-federal conference that is to be held in the future; I refer to the removal of this quite irrational and quite unjust form of taxation.

I now want to deal with the items that we have before us in this resolution on the

Excise Tax Act. I can see that in the first two items there is a certain rationality. When the decision was made to reduce the tax on passenger automobiles, logically enough it followed that the tax on tires and tubes for automotive vehicles of all kinds should be repealed. There is a certain logic in that decision to exempt this particular class of commodity with perhaps foreseeable effects on the economy. There is also a certain logic in the first two items of the section headed No. 3 which reads: "That the sales tax on the following goods be repealed". I can see some logic in the decision to repeal the sales tax on materials to be used exclusively in the production of feeds for livestock. There is some sort of reason to that decision, namely that it will stimulate, I presume, that section of our economy. The same argument can be used for section (b), creosote oil and other wood preservatives when for use exclusively in the treatment of timber, poles or lumber. There again there is a reason, namely for the encouragement of more economical use of wood. But when we move on to (c), (d), (e), (f) and (g) we simply seem to sail into the wildest flights of irrationality. I am almost forced to the conclusion that whoever drew this up blindfolded himself, took a pin and stabbed it into a list, and wherever it hit decided that would be the thing that would be exempted. Why in the name of heaven do we decide to remove the sales tax on material to be used exclusively in the production of terrazzo flooring while on the other hand if you want a wooden floor or a cement floor you pay the sales tax? If you want a terrazzo floor then you are going to have the relief that this provision offers.

Then we have subsection (d) which refers to perforated bituminized fibre pipe for drainage purposes, not to exceed four inches in diameter. Why should four inch pipe be exempted and six or eight inch pipe not be exempted? Why decide to exempt four inch pipe? Then we come to something that to me is quite utterly daft. Why pick out rims for kitchen sinks? Why not rims for bicycle wheels or rims for eyeglasses? Why not soap dishes or kitchen faucets? What is the rhyme or reason for this? Then we have floor tile. Floor tile is going to be exempt in addition to material used in the production of terrazzo flooring. Then we have wallpaper. Why is wallpaper selected?

Mr. Benidickson: Because paints and varnishes are exempt.

Mr. Cameron (Nanaimo): Why not roofing paper or any other type of paper—

An hon. Member: Toilet paper.

Mr. Cameron (Nanaimo): Somebody said "toilet paper"—or tar paper or cigarette paper, any kind of paper? Why select one thing? If you have selected wallpaper as a building material, then why do you not exempt all building materials and be done with it? If, on the other hand, you are exempting it as a wood pulp product, why do you not exempt all wood pulp products? Where is the rhyme or reason to this? It seems to me an example of complete irrationality.

Mr. Studer: In Saskatchewan the socialists not only tax building material but actually tax the building of hospitals.

Mr. Cameron (Nanaimo): We should be very glad to hear from the hon. member for Swift Current-Maple Creek later, I am sure. Seriously, I should like an explanation from the government of these last five items that are to be exempted from sales tax in order to get some idea of what formula has been used in selecting one material and rejecting another. They are not grouped into any logical categories in the way that the first items in this list have been grouped into more or less logical categories.

Mr. Benidickson: If I may answer the hon. member for Nanaimo, first of all let us take terrazzo flooring. Instead of being inconsistent we are trying to be consistent, and I think I can show the hon. member that we are. Every item that goes into the construction of a terrazzo floor is exempt, so all material under the embracing term "terrazzo flooring" is being exempted. As to fibre pipe, hitherto we have had a restriction as to the length of the pipe. It was only exempt if it was under 12 inches in length. A new process in manufacturing has resulted in the development of longer pipe, and we are extending the exemption to be consistent.

Mr. Cameron (Nanaimo): It is not the length you have referred to but the diameter.

Mr. Benidickson: Up to now four inch pipe has been exempt only if it was not in excess of 12 inches in length, and now that limitation as to length is being eliminated. I suggest that is consistency and a broadening of the field in respect of a related type. So far as rims for kitchen sinks are concerned, rims are the only item mentioned in this particular change because the sink as a whole, if it does not have a metal rim, is exempt already. We are simply making sure that we are not going to exempt sinks and then tax rims simply because a few kitchen sinks are built in this manner. With respect to floor tile, because we already exempt hardwood floors, it seems consistent that in that competitive

group all floor tiles should be exempt and not just certain floor materials. As far as wallpaper is concerned, wallpaper is being added here to be consistent. It is in the same competitive field as paints and varnishes for decorating rooms. Paints and varnishes are already exempt and it is felt that there should not be a tax on wallpaper, a competitive type of interior decorating material.

Mr. Cameron (Nanaimo): I have listened with interest to the parliamentary assistant's explanation, but it still seems to me that the much more logical thing to do would have been to decide on a blanket exemption for all materials used in the construction of dwellings instead of going at it piecemeal in this way, adding one material this year and next year presumably something else. There must be some purpose behind this, and presumably the purpose of all these exemptions is to enable dwellings to be built more easily and economically by the people of Canada. Therefore why not do a job on it and exempt all materials that are going to be used in the construction of dwellings?

Mr. Blackmore: Mr. Chairman, Social Crediters will welcome these reductions as, I am sure, will all other members of the house and the people of the country. It is natural that people in the opposition should so do because they do not have the responsibility for raising the money to take care of the difficulties which need to be looked after in the country.

I should like to associate myself almost word for word with the remarks of the hon. member for Eglinton. I thought his case was accurately and admirably put. I think every member of the house would say amen to his sentences if he were free to do so politically. Of course all members in the opposition are free to do so.

I should like to draw attention to one important matter which, in the interests of clarity of thinking in the house, is of vital importance. Within the last two days a prominent member of the Conservative party made a speech in which he termed as inflation all the increases in prices that have taken place since the end of world war II. I thought that was one of the crassest pieces of ignorance I have heard since I have been in the house. May I urge that the hon. member for Eglinton and all other members of the Conservative party get together and try to find out, if they possibly can, what inflation really means and then talk from now on as though they knew. To call inflation, increases in prices which are a direct result of government imposition of taxes and to insinuate that they have come about because of a surplus of money in circulation in Canada is simply to confuse the people of Canada beyond all possibility of accurate thinking whatsoever, and certainly to confuse the Conservative party and all who listen to them and even reflect subconsciously on what they say.

That was one matter I wanted to get up and say something about after the Leader of the Opposition finished his address the other night, but I thought I would hold my remarks until a more appropriate time. If there is any one word which we as a parliament and a country must get the definition of clearly it is inflation, if we are going to think our way at all through the maze of confusion, difficulty and anxiety which hangs over our future. Certainly inflation is not a rise in prices which results from government taxation, from a strike of employees to raise their wages or from the deliberate manipulation of the prices of commodities upward by a company that finds itself strong enough to do so, as was done in the spring of 1946 by the steel companies of Canada with the connivance of the government, thereby forcing up the cost of production of practically every commodity in the Dominion of Canada. Now, we have certain stupid Conservatives calling that inflation.

Mr. Harkness: We consider the source from which all these remarks come.

Mr. Blackmore: I think people will do that. But unfortunately, there are some who still believe in the fairy name "Conservative", and while they are getting over their affliction they will be led astray.

There is one more matter I should like to speak about briefly. While the hon. member for Eglinton condemned the government for taxation on various commodities, and I agree with him completely, and implied undoubtedly that such taxes, for example, as those on goods used by the municipality and on books and other supplies required by educational authorities—

Mr. Benidickson: Books are exempt.

Mr. Blackmore: Perhaps the hon. member for Eglinton was slightly in error, but to the extent he was not in error I agree with him completely. There can be no doubt that there are taxes being levied upon goods and supplies required by educational authorities throughout the country, so in the main the hon. member's case was well taken. While he urged by implication that all these taxes should be removed, he offered no alternative. Since the opening of parliament this year

we have listened to Conservative after Conservative clamouring for a reduction of taxation, but they have never offered even a hint of a suggestion as to how revenue should be raised if that particular type of taxation were removed.

Mr. Fleming: We want reductions.

Mr. Blackmore: The important thing is that responsible men and women, elected by the Canadian people, could, in this portentous year of 1955, be held accountable for being able to offer some sort of a suggestion as to how the country may raise the finances with which to discharge the responsibility which rests upon the government. If they have no alternative, they should at least have the decency to hold their peace concerning the matter.

Now then, what would the Conservatives do as an alternative in order to obtain the money? They should get off in a series of huddles, and finally get their huddles together and come to a decision as to what could be done. Social Crediters make no bones about offering the suggestions which they have to offer. We will see immature men like the hon. member for Notre Dame de Grace, who the other night flippantly talked about funny money. I do not believe that if he had a six months' course he could tell the difference between funny money and not funny money. He spoke of funny money, thus showing a sort of detachment from reality, a detachment which I must confess no member of this house has any right to manifest.

We are faced with an unemployment problem, for example. These people have no jobs. We cannot afford to sit here and flippantly talk politics while they suffer and their numbers increase. The Social Crediters do not hesitate a minute to declare that in a country like Canada it is possible to create a great deal of money on the national credit, just as was done under the Finance Act of 1914, thereby providing a very substantial increase in the national revenue of Canada available for the discharge of all governmental responsibility. Up to the present time there has not been a member in this house for the last 10 years who has attempted to rise in his place and offer to show the fallacy of our contentions. All they do is use this silly little kiddish remark about funny money.

I maintain it is time, Mr. Chairman, that sort of irresponsibility on the part of members, even if they are members of the C.C.F. like the hon. member for Nanaimo or Conservatives like the hon. member for Notre Dame de Grace or Liberals like the hon. member for Temiscouata, ceased. They are all expected to be responsible men and women when they get here. Now, we Social Crediters offer that as an alternative and I challenge anybody in the house who thinks he can get up and in a 20-minute speech or a speech of any other length show the fallacy of our position. The challenge will hold right from now on until somebody takes it up, and when he gets through I shall take him on. I must say I will not be the only member of the Social Credit group who will be quite ready and happy to do that little job.

Now, Mr. Chairman, I know that complaint has been raised time and again in this house concerning the effects of this drop in excise tax on automobiles. The hon. member for Eglinton reviewed the matter adequately, I believe, in a general sort of way. I think it is only fair I should tell the house something about the incidence of this manoeuvre in my constituency. I shall deal only with the city of Lethbridge. I am going to quote small passages from certain letters that have come to me showing how seriously this is going to hurt my constituency. I start with a letter from the United Service garage in Lethbridge, from which I read the following:

> The loss to this firm is small compared to most of the dealers but the percentage is still the same whether large or small, makes just the same kind of a hole in our profits. Our actual loss on five cars in stock and in transit was $461.53.

That does not sound like very much money, but if the $461.53 cannot be made up there is another bankruptcy to be added to the bankruptcies in Canada. This is the sort of thing which I believe too few people in this country take seriously.

I quote further from the letter:

> One of the above units has been held up through road bans for almost a month, but the tax has been paid and it is costing us finance charges until such time as it reaches us and is sold.
>
> We will also take a loss on the used cars in stock because the price drops accordingly, but as this is an everyday occurrence we cannot complain other than to point it out as an added loss.

Now, if that kind of thing is multiplied by several times, then this whole matter is not quite so inconsequential as the Minister of National Revenue has endeavoured to imply.

I turn now to a letter from the Lethbridge Automobile Dealers Association, a letter written on April 19:

> A local survey indicates that the Lethbridge dealers alone suffered a loss in excess of $14,000 on the new vehicles they had on hand at the time this reduction was made, and this does not take into consideration the loss they will have to absorb on the large stock of used cars they had in stock at this time . . .
>
> Your co-operation and assistance in having this matter receive proper consideration and action will be greatly appreciated.

When it is borne in mind that in that particular area, and the area contributory to

that city, the farmers have not been able to deliver any more than just so much of their grain, then if the payment which the farmers make to the garages is not large because of that fact it becomes more serious still.

I turn to a letter from the Alberta Automobile Dealers Association, dated April 11, from which I quote the following excerpts:

> We do feel that in view of the fact there was no protection given on dealer inventories, this is an unfair burden beyond the capacity of the dealers to absorb.

These are solemn words, "beyond the capacity of the dealers to absorb". This is another excerpt:

> We respectfully request that you will make a recommendation to the Minister of Finance and the cabinet that rebates be given on new units in dealers' hands as of midnight, April 5.

I turn now to another automobile company in my own constituency, Marquis Motors. I quote from their letter dated April 15:

> We feel that some representation should be made to the proper authorities to have a refund made to the dealer on the automobiles which the dealer was holding in his inventory on his new automobiles and on which the tax has been paid and was subsequently reduced. If this is not done, in a good many of cases, the dealer will be financially crippled or may find it necessary to go out of business.

I know what is involved. I sympathize with the Minister of National Revenue and with the Minister of Finance, but nevertheless there are a number of people who have fought their way through for 20 years, all the way through the depression, all the way through the war and all the way through the vicissitudes that developed during the outlandish rise in prices that took place after the war, and now they receive this blow! I ask the Minister of National Revenue to take another look at this matter.

It is not my purpose at the present time to say any more relating to this resolution. I am quite sure I shall find it necessary to make further observations at a later time.

Mr. McCullough (Moose Mountain): I am sure all hon. members welcome the tax reductions that were announced by the Minister of Finance. However, I join with the hon. member for Eglinton and the hon. member for Lethbridge in the representations they have made with respect to certain reductions in the excise tax on automobiles. I feel sure that automobile dealers from coast to coast have been adversely affected by the 5 per cent reduction in the tax.

While I am sure that everyone welcomes the reduction, the fact that it became effective on April 5 without the automobile dealers being able to save themselves from having heavy inventories has resulted in a heavy loss. There are in my own constituency situations similar to those outlined by the hon. member for Lethbridge. The dealers in my constituency are hard hit owing to the fact that up to the present time the minister has not seen fit to introduce any measure by which the automobile dealers could be recompensed for the tax which they have paid on the automobiles they had on hand at the time of the tax reduction. I know of one dealer who had 9 automobiles on consignment. His total tax bill will amount to $3,859. That includes the sales and excise tax that he has paid. He stands to lose a great deal of that unless the government see fit to introduce a measure which will permit the purchasers of these automobiles to obtain a rebate of the tax they have paid. Automobile associations across Canada have indicated that there are about 35,000 cars in the inventories of dealers. If one were to take the average reduction in tax as at $100 the total will amount to $3,500,000. This is the amount that the automobile dealers across the country will have to lose. Cars are in a different category from a lot of other goods which are held by dealers. There should not be any great difficulty in administering a policy which would correct this situation.

Like all other taxpayers, I welcome any tax reduction. I listened to some of the interruptions of the hon. member for Swift Current-Maple Creek. I am always interested in his interjections and in what he has to say. I was also interested in what the hon. member for Lethbridge said. He thinks that he and his party have some method by which the people of Canada could have the services they want, and at the same time not pay taxes, or the government could get the money to finance the various programs. The hon. member for Swift Current-Maple Creek and I come from the same province. We do not say that our Saskatchewan government is without fault, but I can tell him that under the C.C.F. policy we could reduce taxes and at the same time give ourselves certain services. As long as any government wishes to maintain the capitalist system and permit all the remunerative and profitable enterprises to remain in the hands of private business, and at the same time take all the responsibility of giving our people services, in my opinion there is no way in which that can be done unless the people are ready to pay taxes.

In the province of Saskatchewan we have been successful with the few small crown corporations we have there. In a few years we have been able to give employment to over 4,400 people. In addition, we have paid into the consolidated revenue fund over $5 million profit. While that may be small

when compared with the national income and what could be done in some of our big projects such as our fertilizer industries, yet it is a step in the right direction.

While I welcome these reductions, I should like to point out to the government that, with respect to the reduction in tax on automobiles in the dealers' hands, because of the representations that have been made the government in all fairness should do something about it.

Mr. Hansell: Mr. Chairman, I am not going to prolong the debate on this particular subject of retail sales of automobiles; but I do wish to add my voice to what my colleague, the hon. member for Lethbridge, has said. I do not suppose I am in a different position from that of most hon. members in respect of having representations made by dealers in our own constituency. In fact, most of us from western Canada represent rural constituencies where there are a good many automobile dealers who might be regarded as more or less small dealers. These small dealers who have half a dozen cars consigned to them are suffering losses of anywhere from a few hundred dollars to $2,000 or $3,000. That may not sound much to the Minister of Finance who is accustomed to thinking in astronomical figures, but $500 to $1,000 or $2,000 or $3,000 is an awful lot of money to many a small dealer. As the hon. member for Lethbridge has said, for some of them it meant coming well-nigh to bankruptcy.

This situation is also accentuated by the fact that the cash position of farming communities in western Canada is bad. When the cash position of farming communities is bad it has an effect upon all other types of business, which means that generally speaking things in western Canada are not good. Since the prospects for the sale of cars are not as good as they might be, the effect of having cars on consignment becomes even more serious to the retail dealer.

I understood the Minister of Finance the other day to give some hope to the retail car dealers when he said that the matter was under consideration. I should like to ask the minister or his parliamentary assistant if that matter is still under consideration and if he can offer any hope to the retail automobile dealers. I do not think they should be left dangling in the air. As the previous speaker has said, the total loss throughout the country may be a couple of million dollars or so. If that represents the over-all picture it should not be very difficult for the government to compensate.

I urge the minister to do this. I think this is the proper time for the parliamentary assistant to state whether this matter is still under consideration and whether there is any hope for the retail automobile dealer in this regard.

Mr. Benidickson: Mr. Chairman, in answer to the hon. member for Macleod, I confirm that the minister has been giving this matter continued consideration. Representations continue to be received, but this is a most difficult decision to make. Probably the final answer will be given by the minister after he brings down the bill.

While it is true that there is a relatively small number of units involved when you are dealing with a large and expensive product like an automobile and therefore it may be administratively possible to rebate the tax on this particular product, the hon. member for Eglinton was good enough to recognize that it is contrary to tradition to rebate a tax reduced by a budget.

If a rebate is given in connection with one product, even though it can be done administratively without too much inconvenience and if one is willing to forget the revenue, hon. members will understand how difficult it would be to follow this same pattern with practically any other product. There is no question in the world that if the traditional pattern were departed from in this instance it would be a precedent that would certainly be pointed to any time there was a budget change that affected inventories of goods upon which taxes had been paid.

Mr. Fleming: Mr. Chairman, I am wondering when this question was raised recently why the minister did not deal with it then as definitely as his parliamentary assistant has dealt with it now. One can readily understand the argument which the parliamentary assistant has made. Undoubtedly a problem is created by the precedent which may be set up, but if the hon. gentleman will look at page 3881 of *Hansard* of May 18 he will see that the Minister of Finance did not meet the question on that basis at all. May I read the passage from *Hansard*. It is as follows:

> Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of Finance if he has received a brief from the motor car dealers' association of British Columbia asking for his consideration of their request for a refund of the excise taxes paid on cars in stock on April 5? Would the minister say whether he will be able to give further and favourable consideration to this admittedly difficult problem, and whether he is able to hold out any encouragement to that association?
>
> Hon. W. E. Harris (Minister of Finance): I received briefs not only from the British Columbia motor car dealers' association but from the national body, I think from all of the provincial bodies, and from quite a number of individual dealers.

Of course we accept these representations along with all others and give them our best consideration.

Mr. Fulton: Consideration is always welcome, but how about encouragement?

Mr. Harris: Encouragement is a word which I think is used on every occasion by this government as to its intentions with respect to the Canadian economy.

I repeat what I said when speaking earlier, that if the Minister of Finance had full knowledge of the difficulties which his parliamentary assistant has just outlined and if he meant to follow the traditional rule and not give any rebate on tax-paid cars as of the date of the budget, then he ought not to have made the statement which I have just read. If he did not mean to give any consideration to the matter, if he did not mean to entertain the request, then it seems to me that in all fairness and frankness he should have said so. Why did he not rise and point to the difficulties which the parliamentary assistant has just outlined? That would have been fair; that would have been frank. Those who had made the representations to the minister and to which the minister intimated he was going to give his best consideration would not have been misled, as I am sure many of them must have been, into thinking that there was some hope that they would receive remedial consideration at the hands of the Minister of Finance.

At the time the minister answered the questions asked by the hon. member for Kamloops I heard a remark made that if he did not mean to give some form of rebate to these dealers he should have said so then and there. It was nothing short of cruelty to buoy up their hopes by allowing them to think that their representations were being considered and there was a chance that some form of relief would be coming to them as a result of that consideration.

I think that there has been a lack of frankness in this matter. Whatever difficulties exist, as described by the parliamentary assistant, certainly did exist on May 18 and were fully known then to the Minister of Finance. If he did not mean to give consideration, if he did not mean to do anything for these dealers, then he owed it to them and owed it to this house to be frank in the answer he made to the question then put.

Mr. Benidickson: I said that the minister was giving this matter consideration and would give the final advice to the house when the bill comes up, probably early next week.

Mr. Fleming: In the face of what the parliamentary assistant has said I would think that there was much room for consideration.

Mr. Benidickson: I just pointed out some of the obstacles.

[Mr. Fleming.]

Mr. Knight: Mr. Chairman, coming as I do from a city constituency it was natural that the automobile dealers there would approach me to make representations to the minister. However, other members of our party have done this and up to the moment I have not repeated those representations. However, there are one or two comments I should like to make.

I am not rising tonight because I was approached by these dealers; I rise because I feel that there is some injustice in this particular measure. I remember the last time when taxation was removed—I think it was 10 per cent on that occasion—a large dealer in our city told me, and I have no reason to doubt his word, that he lost some $7,000 at that particular time. I think they took some warning at that time and I must say in fairness that the dealers on this occasion, when 5 per cent of the remaining 15 per cent was removed, were careful not to be caught with large numbers of cars in their inventories, either in transit or at their selling place. They raised with me one point which I do not think has been discussed tonight, and I might ask the assistant to the minister for his opinion on that. They reported to me that this was actually a consumer's tax. It has been the consumer, the person who buys and drives a car, who has been paying this tax, and the government has been using the dealer simply as an instrument of collection. The dealers rather resent this. When the government has used them as tax collectors they find themselves in the position that, instead of the tax being passed on, as is usually the case, to the consumer, they are just a few men having to pay the tax which under ordinary circumstances would be spread over many. I should like a comment, perhaps from the minister's assistant, in that regard. Is it not actually a consumer's tax in that sense, that those dealers have actually no responsibility to pay it except the responsibility now put on them by the minister's decree?

Mr. Benidickson: Mr. Chairman, according to the language of the act, I believe it could be said that it is a tax on the manufacturer. It is at that level that the tax begins. As to what competitive conditions will cause in a business subject to a tax, we can each only form our own opinions. My hon. friend from Saskatoon referred, of course, to another drop in a tax that occurred in 1952, when the excise tax went down from 25 to 15 per cent. It is now going from 15 to 10 per cent. I remind him that even since the end of the war there have been a few increases. What the trade did at that time, he knows as well as I do.

Mr. Knight: In any case, Mr. Chairman, I would point out to the minister, through *Hansard* if he is not listening to me, that there has been a considerable protest in this house in regard to the matter, sufficient protest to make me think that there is at least a general interest. Whether that has been prompted by the fact that those who have suffered have made themselves particularly vocal, or whether they are like myself—and I have no doubt that is so in many cases—imbued with the idea that this is an unjust measure, we have had protests raised by members of every party in this house, including a good many members of the government party as well as those who sit on the opposition side. Tonight we have had protests from the Conservative, C.C.F. and Social Credit parties. I have not heard any of my Liberal friends speaking tonight, but I certainly did on a recent occasion when they were discussing the budget provisions generally after the minister had produced his budget in this house. I hope that the minister may still, at this late date, take the matter under advisement and perhaps reconsider his decision.

Mr. Richardson: Mr. Chairman, I do not know that I want to deal with the question that has been occupying the attention of the committee, with respect to automobiles, but I should like to subscribe wholeheartedly to a point made by the hon. member for Eglinton. That is not, of course, when he referred to the imposition of sales tax, by implication, as if the party which is presently in government was the only one that subscribed to sales tax. For the moment it might be worth while to recall that taxation on sales was introduced in 1920, and at that time there was the most unusual situation in Canada that the Liberal party was not in the seat of government. Coming back to the point to which I should like to speak and on which I am in full sympathy and cooperation with the hon. member for Eglinton, it seems to me that, when a sales tax is imposed upon basic foods and almost all the items that are described as foods—and I specify only a few of them now such as milk, fruit, bread, butter, vegetables, rice, sugar, soups—

Mr. Benidickson: Is my hon. friend pointing out the things that are exempt or the things that are taxed? None of those things which he mentions are taxed—

Mr. Richardson: These are food products but, it seems to me, food products which are so common now as tea and coffee might also be subject to exemption. It may be that all these other items would be subject to exemption.

Mr. Benidickson: They are.

Mr. Richardson: But certainly an item such as tea or coffee, like an automobile, may perhaps be no longer regarded as a luxury but as a necessity in this modern day. I would suggest that consideration might well be given to bringing tea and coffee under the list of exemptions.

Mr. Macdonnell: I wish to add just one word in regard to one point made by the hon. member for Eglinton—taxation on charitable institutions. That seems to me to stand in a class by itself. It has been pointed out that it does not really make sense to tax the other levels of government; we are just taking money from one pocket and putting it in the other. But when we come to the charitable institutions, it seems to me that they occupy a position different from everybody else. They are maintained by voluntary subscriptions of individuals, and they are doing work which cannot be done by other people. Whilst the parliamentary assistant might say, "We actually charge our sales tax to other departments of government", that does not matter so much; it may be just good clean fun. But when it comes to the charitable institutions, I submit that this is a case by itself. I just wish to add my voice to the appeal for consideration of this question.

The Deputy Chairman: Shall the resolution carry?

Mr. Fleming: I would have hoped that the parliamentary assistant would have something to say tonight concerning what hon. members have said about the continued imposition of sales tax on purchases made by municipalities and school boards and the same form of imposition on goods purchased by charitable and philanthropic organizations for use in their welfare work, and about the continued imposition of the sales tax on clothing, boots and shoes, household furniture and certain prepared foods. Surely the parliamentary assistant has something to say on these matters.

Mr. Benidickson: My hon. friend knows that these matters are always considered at each budget time, and in the light of revenues that can be forsaken and having regard to the things that the administrators of our statutes say that they can do safely and without undue expense in proportion to the benefits being extended, these are always reviewed. Most of the items referred to by my hon. friend were again considered this year. Something was said tonight about its being a vicious policy—I think that was the extreme phrase—for one government to impose taxation on a junior government. Of course, his

reference was made particularly to the lowest levels of government, the municipalities and school boards. Our contact with those levels of government, of course, in much more removed than in the provinces. Some five or six of the provinces impose sales taxes of their own.

Mr. Knight: They are not hidden taxes.

Mr. Benidickson: Very few if any of the provinces, in spite of the close relationship they have with these bodies, exempt even their so-called children in government from the sales taxes imposed in the provinces.

Mr. Fleming: Mr. Chairman, two wrongs do not make a right. If some of the provinces have a sales tax and impose the sales tax on municipalities in respect of the purchase of goods by the municipalities, that is no justification for the federal government's doing it. We have this clear distinction drawn between sales tax imposed by the provincial government on the one hand and sales tax imposed by the federal government on the other. In the case of the federal government the tax is imposed at the manufacturers' or producers' level, it is hidden, and the consumer does not know what he is paying. In the case of the provincial sales tax it is imposed, as it must be constitutionally, at the consumers' level and the consumer at least knows what the tax is that is being imposed upon him. But, Mr. Chairman, even if half a dozen provinces impose a sales tax on purchases made by municipalities, that is no justification whatever for the federal government's doing it.

With respect, Mr. Chairman, may I say that it seems to me that this committee is still left completely in the dark as to why the federal government has made no effort this year to bring remedy or relief in the cases that have been under discussion. We are left to guess whether it is a matter of policy on the part of the government to continue this tax or whether they see certain administrative difficulties involved, or whether it is for some other reason. We are given no clue in the very brief remarks that have just fallen from the lips of the parliamentary assistant. In matters as serious as this, Mr. Chairman, surely the House of Commons is entitled to something more informative than what we have heard tonight.

Here we have taxes on the basic necessities of life. When this question is raised as a serious issue in the House of Commons it receives what can be described as, at the very best, mere cavalier treatment at the hands of the government. No reason is given as to why the government ignores these pleas and continues to impose these taxes upon the basic necessities of life. Only in the case of the plea for the repeal of the sales tax on purchases made by municipalities and school boards has the parliamentary assistant vouchsafed to the committee any form of explanation, and even then it is not an explanation. It is simply an attempt to justify this tax on the basis that some provinces do the same thing. To the minds of reasonable men, it seems to me that will be no justification at all.

We have yet to hear one word from the government by way of attempted justification of the continued imposition of the sales tax upon goods purchased by philanthropic and welfare organizations doing work in the field of philanthropy which is basic and essential to organized life in this country. Instead of helping them the federal government imposes handicaps and burdens upon these organizations which are trying to do their work for humanity in this country. I do not believe that there is in the House of Commons one member who, if he were asked privately if he could justify federal exactions or federal handicaps being placed upon philanthropic and welfare organizations, would in conscience attempt to do so. Then in this chamber, when we meet here as a House of Commons, how can hon. members sit back and condone the continued imposition of these burdens upon philanthropic and welfare organizations and at the very same time condone cavalier treatment of the problem on the part of the government? They do not even mention it. They think they can ignore it when the question is seriously raised in the House of Commons.

I hope, Mr. Chairman, that hon. members are not going to tolerate that kind of treatment of a serious problem at the hands of the government. We have not heard from the minister. He has left this resolution tonight in the hands of his parliamentary assistant. The parliamentary assistant owes to the committee the same serious consideration of matters of this kind as the minister would owe to the committee if he were present himself and were piloting through his resolution. I hope that hon. members are not going to tolerate the way in which this problem is being ignored and sidestepped on the part of the government tonight.

The Deputy Chairman: Shall the resolution carry?

Some hon. Members: Carried.

The Deputy Chairman: Shall I report the resolutions?

Some hon. Members: Agreed.

Resolutions reported, read the second time and concurred in.

INCOME TAX ACT

Right Hon. J. G. Gardiner (for the Minister of Finance) moved for leave to introduce Bill No. 417, to amend the Income Tax Act.

Motion agreed to and bill read the first time.

EXCISE TAX ACT

Right Hon. J. G. Gardiner (for the Minister of Finance) moved for leave to introduce Bill No. 418, to amend the Excise Tax Act.

Motion agreed to and bill read the first time.

SUPPLY

The house in committee of supply, Mr. Applewhaite in the chair.

DEPARTMENT OF AGRICULTURE

Administration service—

1. Departmental administration (including advisory committee on agricultural services), $496,998.

The Deputy Chairman: Hon. members will recall that resolution No. 1 is to be found at page 4 of the book of main estimates, the details at page 83.

Mr. White (Middlesex East): Mr. Chairman, when the minister made his statement last week the intention was that the hon. member for Brant-Haldimand would reply and present to the house and the country the feelings of the opposition as far as the estimates of the minister's department are concerned. It happens that the hon. member for Brant-Haldimand is at home today, and so I am in the position of being more or less of a pinch-hitter. Pinch-hitters are, of course, supposed to hit the ball and score, but I am not so certain that is going to be the case tonight. However, I welcome the opportunity to make a few observations with respect to agriculture in Canada. When the minister introduced his estimates he was as optimistic under the circumstances as he usually is, but regardless of the way the facts were presented by the minister it is pretty difficult to make the farmers back home believe that everything is all right.

It has been said that most of the reductions in agricultural income have been caused by the difficulties in marketing our wheat crop, but may I point out that, while a great deal has been said in the house and in the standing committee on agriculture in the last few days about the west, I am amazed at how little is said about the problems of the eastern farmers. I suppose it is probably because of the conservatism of the Ontario members that we allow the western members to monopolize all the time and to create the impression that the problems of the Canadian west are the only problems that agriculture faces in this country. But such is not the case.

In most of Ontario last year harvesting conditions of the cash crops were difficult indeed, and there was a considerable amount of waste. Thousands of acres of crops were not harvested last fall. Some of them were harvested during the winter and some this spring, particularly last year's corn. But there was tremendous loss through wastage and depreciation in grades and quality. We in the east also suffered considerable losses, but I am going to say that we have taken them with better grace than the western farmers.

Mr. McCullough (Moose Mountain): I do not think that is called for. We appreciate your problems.

Mr. White (Middlesex East): We never hear anything about them.

Mr. McCullough (Moose Mountain): That is up to you. We try to co-operate with you.

Mr. White (Middlesex East): I am presenting now the problems of the eastern farmers. We have heard about the problems of the western farmers for weeks and months.

Mr. Blackmore: We are listening. Go right ahead.

Mr. White (Middlesex East): In the past few years agricultural producers' costs have risen while the prices of many of the products they sell have gone down and in some cases are still going down. I have before me the statement of the Canadian Federation of Agriculture. In 1951 net farm income amounted to $2,154 million, but by 1954 it had decreased to $1,357 million, or nearly $800 million less in the hands of the farmers to spend. Is it any wonder, therefore, that in the last two years, particularly during the winter months and even later, there have been as many as 600,000 people unemployed? Until the farmers have more money in their pockets to spend there are going to be marketing problems in connection with many of the things that industry and labour produce.

Hon. members will recall that through the war years—I am going to reiterate it—our farmers were told that if they would sell to Great Britain at lesser prices then they would have a guaranteed market when the war was over. Ceiling prices were placed on agricultural products, and if some farmer was caught

selling a cabbage for five cents more than the ceiling price his name was blazoned in papers all over the country and he was regarded as more or less a traitor to his country. But our farmers were told in the same breath that by means of the price support act, with $200 million behind it, steps would be taken to see that they did not suffer losses when the war was over. Not many farmers are taking such statements today with the same grace as they did during the war years. We were all prepared to make sacrifices then but now, as far as agriculture is concerned, nobody is prepared to go very far in making such sacrifices.

Our farmers, having produced in abundance, now find themselves faced with surpluses and are being penalized because they have produced in abundance at a time when consumers the world over should probably be thankful that they have. I am not saying there are not dairy farmers in all the provinces, but in my opinion the dairy farmers in the east in particular have probably taken as great a beating as any branch of agriculture. We have the fact that 2¼ million pounds of cheese were imported into Canada when we had a surplus of cheese. Oils for the production of a substitute for butter are also coming into the country without duty. For years the farmers have heard it said that tariff protection was a good thing for our manufacturers and for the people employed in our industries, but apparently it is only a good thing for our manufacturing industries and not for our farmers. They have to compete in the markets of the world, and that is particularly the case today so far as the dairy industry of the country is concerned.

Mr. Blackmore: Very well said.

Mr. White (Middlesex East): I wonder sometimes whether the farmers should complain bitterly in view of the fact that many of them voted for the government. Maybe they should blame themselves as much as the government. I hope they will think that over before the next election rolls around. But another issue will be brought up and they will be soft-soaped. But will it be successful? I doubt it.

I have before me a clipping from the *Farmers' Advocate* of February 26. The subheading of the article is "The Prosperity of Agriculture and of Industry are Interlocking", and the article reads in part as follows:

> The reason given by our government for this move is that it is necessary to balance our trade with New Zealand which has been buying more from us than we have been buying from that country. In order to make up the deficiency in our purchases, we buy their cheese. The question that a lot of people are asking is, why was it necessary to pick on cheese? Was there not some other commodity that could have been bought—something that we are not already loaded with? Could it be that the expected feeble squawks of the cheese producers would carry less weight at next election than would be the case were the pinch to have been applied elsewhere? Well, anyway, the dairy farmers in these parts are really hot under the collar.

I think that expresses quite plainly the feeling of the dairy industry across this country. I mentioned the drop in net farm income. In the past the minister has been quoting the gross income of farmers but the gross income of any industry or any business does not mean a great deal unless you know what the expenses are. In the year 1954 net farm income has been reduced by $453 million.

Some assurances have been given by members of the cabinet that further importations of cheese were not expected in the future. I am just going to point out that these assurances are not too reassuring. The farmers are taking them with a little grain of salt. They are not sure whether or not it is in the book. It seems to depend a lot on other factors apparently, such as who the government's friends may be.

Then, there is a policy which affects the westerner just as much as the easterner and that is the policy concerning freight assistance on feed grain. I am one of those who believe that subsidies are an evil, but because subsidies in the form of tariffs have been a part of our policy for many years, subsidies to agriculture in lieu of some tariff protection I would say are a good thing. What is sauce for the goose is sauce for the gander, so I would say freight assistance on feed grain is probably one of the best subsidies this government has ever introduced. It allows the western producer of grain to sell his product to the farmer in the east who is in the poultry or dairy business. This enables these farmers to buy feed a little cheaper so that when they sell their products in competition with the world, in some years they can earn a living. At a time when net farm income is down $453 million it is difficult to understand why the government would decide to change this policy in so far as freight assistance on feed grain is concerned. I reiterate, I believe that it should have been incorporated as a permanent policy.

I have a question on the order paper which the Minister of Finance spoke about today, indicating that it was almost impossible to answer because of the dozens of items involved. I will give you an idea of what I had in mind. I am just going to take one product as an example, potatoes. Except for

about a period of six weeks, potatoes enter Canada duty free. When Canadian potatoes are sent to the United States there is a 37·5 cent per bushel duty on the first 3·5 million bushels, and over 3·5 million bushels the tariff jumps to 75 cents per bushel. Yet potatoes from the United States enter Canada duty free except for a period of six weeks.

To change the subject for a moment, may I say it is my considered opinion that the agricultural institute of Canada and the federal Department of Agriculture should be asked to assist the Minister of Northern Affairs and National Resources in working out a practical plan of soil and forest conservation. The problem of such a plan in the northern areas is far different from what it is in the agricultural areas, particularly in central and western Ontario. I believe that in my county of Middlesex only 3·5 per cent of the land area is under forest. We are, therefore, suffering from soil erosion as a result of rains during the winter and spring months, and soil erosion by wind if there is a dry windy season. We are suffering also from a shortage of water in many farm areas during the summer season. In many areas the farmers are finding that the cities are encroaching upon the country areas; the residents are drilling deep wells and putting in pumps that are capable of pumping enormous amounts of water. As a result, farm wells that have served families with sufficient water for 100 years are going dry. In many cases the farmer has to either give up or spend up to $1,200 or $1,500 to drill a well. These city residents are stealing the water from under the farmers' land.

At the moment, not a great deal can be done about it. This presents a very serious situation. Then, too, we see some of the finest land in the world in the Niagara peninsula going out of the production of fruit, vegetables and canning crops and used in the development of cities and industrial sites. In my opinion that is a serious situation, although as I said a moment ago we do have farm crop surpluses at the moment.

There is another problem from which agriculture is suffering and that is the problem of education. The farmer, just like any other Canadian, wants to pay his fair share towards education. We are not educating acres, we are educating children, and yet the tax in the rural areas of Ontario is based on acreage in many cases. Many farmers say that every acre they own should have a university degree, yet neither they nor their children have such a degree. The costs are based on acres, and I think that is one of the things that should be surveyed. It is one of the reasons for the request for federal aid to education. I realize, of course, that education is primarily a provincial problem.

Some years ago, I am not quite sure what year, the Ontario government set up a commission under the chairmanship of the minister of agriculture, the Hon. F. S. Thomas. I believe the commission made a complete survey of the province so far as services are concerned, and tabled a worth-while report. There was a meeting of the commission held at the University of Western Ontario, and as one of the invited guests I listened with considerable interest to the briefs and statements presented to that commission. At that time I suggested to the commission that ways and means should be found of providing water for the whole of western Ontario from the lake Huron area. Since that time the C.C.F. group in Ontario jumped on that bandwagon, and claimed it as their own. The premier of the province and many of the members from western Ontario have also claimed that as their own. I wish to point out that long before that time I had suggested that very idea to the commission that sat under the chairmanship of the Hon. F. S. Thomas. Since that time I have had the opportunity to discuss this with a high-ranking engineer in the city of London, and he has worked out two or three alternative plans that would and could supply water to the western Ontario area.

Not long ago I was talking to the hon. member for Essex South, and he described to me the problems of the cash crop growers in Essex and the need of water for irrigation from the lake Erie or the lake St. Clair area. These are things that, with the co-operation of the Department of Northern Affairs and National Resources, the federal Department of Agriculture and the Canadian agricultural institute, could be worked out in a plan that would be of mutual benefit not only to Ontario farmers but to all Canadians. We hear about these projects in the west. For less money more people could be served right here in the thickly populated area of western Ontario.

Yesterday it was my privilege and the privilege of the hon. member for London to join with 275 of the leading businessmen from the city of London in a visit to this House of Commons and to the Ottawa district. They are all conscious of the conservation and water-supply problem. We read in the press of the needs of the county of Waterloo. They are so short of water that they hesitate to encourage new industries to come to the cities of Waterloo and Kitchener. Therefore, they are facing a very difficult problem.

I hold in my hand the policy declarations of the Canadian Chamber of Commerce as they relate to agriculture. I find the following:

> Seventeen per cent of Canada's population live on farms. These people not only constitute about one-sixth of the domestic market for all the various goods and services produced by Canadian workers in every type of occupation but are also the source of food and other farm products for the rapidly increasing urban populations. Food industries, which are wholly dependent upon farm production, rank among the 15 largest of all industries.

Farther on in the article they say:

> Loss of soil fertility and erosion by wind and water are among the most important problems facing agriculture in Canada.

The Canadian Chamber of Commerce are to be complimented on their fundamental interest in the basic industry of this country.

It is a minute to ten o'clock, Mr. Chairman, and I think we had better call it ten o'clock.

The Deputy Chairman: Is it agreed that we should call it ten o'clock and that I should report progress and ask leave to sit again?

Some hon. Members: Agreed.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall take the departments of agriculture, labour and fisheries. On Monday, we shall take legislation beginning with the international river improvements; Canadian National Railways resolutions; the resolution with respect to the fishermen's loans; second reading of the Prisons and Reformatories Act. Should we complete that, then we shall take any other legislation that may appear on the order paper. I would imagine that the item after that would be the Municipal Grants Act, but, as I say, we may have to take anything to fill in the rest of the day. The first item on Monday of course will be the third reading of the Prairie Farm Rehabilitation Act.

Mr. Nicholson: I understand that the Minister af Agriculture has made an engagement for the dinner hour tomorrow night. Do I understand we are to go on with agriculture until six o'clock and with some other department after six o'clock?

Mr. Gardiner: I hope, of course, the estimates will be through by six o'clock, but I have made arrangements with regard to the other activity.

Mr. Nicholson: I do not think we shall be through by six o'clock, and I should like to be here for the estimates. I understand the minister is to be the main speaker at the Saskatchewan jubilee function which is to take place sometime after 8.30 o'clock. If we do not finish agriculture by six o'clock, will there be a change?

Mr. Gardiner: I should like to say that the chairman of that function telephoned me this afternoon, and he has made arrangements which do not make it necessary for me to leave here until ten o'clock, if I have to sit here until that time, which we shall see about later.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, June 3, 1955

The house met at 2.30 p.m.

CANADIAN NATIONAL RAILWAYS

ST. FELICIEN-LAKE CACHE BRANCH LINE—SUBSIDY FOR CONSTRUCTION

Hon. George C. Marler (Minister of Transport): Mr. Speaker, during the session of 1954 the governor in council was authorized by parliament to provide for the construction and completion, in whole or in part, prior to December 31, 1964, by the Canadian National Railway Company of a branch line in the province of Quebec consisting of three sections: one between St. Felicien and lake Cache; another between lake Cache and Chibougamau; and the third between lake Cache and Beattyville.

At the time the question as to whether or not any subsidy for this branch line would be necessary to avoid imposing too heavy a present burden on the finances of the company was left in abeyance for further study. Nevertheless the company commenced in November, 1954, construction of the two sections between Beattyville and Chibougamau, being convinced that if the whole of the traffic into and from the Chibougamau area, as well as the additional traffic along the line, moved over those sections they would be apt to be self-supporting almost from the start. However it was realized that the channelling of all such traffic away from the lake St. John area, of which it is geographically and economically a part, might seriously interfere with the normal development of that whole area.

An intensive study of the problem with the co-operation of the company and local interests has led to the conclusion that national interests as well as the normal development of the area would best be served by having the whole branch line authorized by parliament proceeded with at once, and that it would be appropriate, in order that this be done, to recommend to parliament that capital assistance for this construction be provided in the form of a subsidy of $25,000 per mile.

Accordingly, provision is to be made in the supplementary estimates for the payment to the Canadian National Railways of the sum of $1,250,000 being the part of the subsidy that it is estimated will be required during the current fiscal year. I expect, of course, that construction of the St. Felicien-Lake Cache section will be commenced as soon as the preliminary work has been completed, and that it will be finished without delay.

In conclusion I would like to commend the interest in the project of le conseil d'orientation économique du Saguenay and other local organizations, and also of the hon. members for Lake St. John (Mr. Gauthier) and Roberval (Mr. Villeneuve). Though all have shown a continuing and keen interest in the building of the St. Felicien-Lake Cache section, these two hon. gentlemen have been unremitting in securing and bringing to the attention of the government impressive information about the possibilities of development that would thereby be opened up. I hope it will not be too long before the project becomes a reality, and that their hopes in this connection are fully realized.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, in connection with this statement by the minister, may I merely say that the minister seems to have forgotten entirely that the demand for this action started on the opposition side of the house, coming not only from the official opposition but also from the hon. member for Chicoutimi (Mr. Gagnon).

Mr. Marler: Mr. Speaker, I have too long been in opposition myself to be unfamiliar with the technique followed by my hon. friend.

[*Later:*]

On the orders of the day:

Mr. Fernand Girard (Lapointe): May I say to the Minister of Transport that we forgive him because he has not been a minister for very long, and he may not have known that we have worked also for this road. I should like to know if the minister can tell us whether the road will be commenced from both ends in order to relieve unemployment.

Mr. Marler: I am unable to give the hon. member for Lapointe any information as to where the work is to begin, or whether it will begin at both ends.

Pacific Great Eastern Railway

PACIFIC GREAT EASTERN RAILWAY

PROVISION OF SUBSIDY ON PORTION OF EXTENSION

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to make an announcement on a subject closely related to that about which the Minister of Transport has just spoken.

The government of British Columbia has made a number of proposals to the federal government concerning financial assistance for the extension of the Pacific Great Eastern Railway, which is owned by the provincial government. It will be recalled that parliament in 1949 passed an act granting assistance for the extension of this railway from Quesnel to Prince George. British Columbia is now extending the railway at the southern end from Squamish to North Vancouver, and proposing to extend it northward from Prince George and through the Rockies to the Peace river valley.

We regard the southerly extension from Squamish to North Vancouver as a replacement of the existing barge service, and consider that it constitutes an improvement, rather than an extension, of existing transportation facilities. The government of British Columbia is apparently satisfied that there will be resulting savings in operating costs which warrant such improvement and make it a sound business investment. We are therefore unable to conclude that the improvement is of a character requiring federal assistance such as was granted in the extension from Quesnel to Prince George.

In regard to the proposed extension northward from Prince George to Fort St. John and Dawson Creek, we doubt that the construction of the whole of this line would be an economic undertaking at this time. It does not appear to us that the potential volume of traffic over the next five or ten years and the probable economic development in the area that would be opened up by the mid-portions of this line would be sufficient to warrant the high capital and operating costs.

The principal resources to be developed are the forests north of Prince George. In the mountains to the north of the Parsnip river there are coal deposits which are apt some day to be worth developing, but we are advised that those operating equally good coal deposits in southern British Columbia are now facing economic difficulties due to shrinking markets. Consequently there does not seem to us to be need at this time to carry the extension northward through the mountains in order to develop coal. The oil and gas on the eastern side of the mountains would, of course, move by pipe line rather than by rail.

The Peace river area itself already has rail access through the Northern Alberta Railways, and although this railway taps the greater part of the area it does not obtain a sufficient volume of traffic to result in profitable operations.

Though these considerations lead this government to believe that the through line proposed by British Columbia is not economically justified at this time, we consider that the possibilities for development of the timber resources north of Prince George would justify an extension of up to some 50 miles in that area. We think this would assist materially in the further development of central British Columbia, and that would be to the obvious advantage of the national economy.

The government therefore will ask parliament, in the supplementary estimates being brought down next week, to make provision to pay a subsidy of $25,000 per mile for not more than 50 miles of an extension of the Pacific Great Eastern Railway northward from Prince George.

Our view that the present outlook does not justify a further extension of the line at this time would not, of course, prevent consideration of this matter again in a later year if the prospects for economic development then appear to be sufficiently promising to warrant a contribution toward the cost of constructing such an extension at that time.

I have written to the premier of British Columbia informing him of the views of this government and of this proposal, and saying that I shall be glad to arrange discussions between representatives of his government and this government on this matter if he wishes to proceed further with it.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, the government seems to be in the railway business overnight. I would ask the Prime Minister whether he has given consideration to the speech on this subject made by the present Minister of Fisheries (Mr. Sinclair) at the time a subsidy was granted for the extension of the line from Quesnel to Prince George. If he has not done so, I would commend that speech to him. If he agrees with it I think the government would grant a subsidy for the whole extension into the Peace river area.

Mr. St. Laurent: The hon. gentleman is quite in error if he thinks these things are decided overnight. They have been receiving very serious consideration and we have had extensive investigations made in an endeavour to reach the kind of conclusion that we could recommend to parliament as one that would further the interests of the national economy of the country.

I must say that I have not given recent consideration to the speech to which the hon. member refers, but we have tried to take into consideration all the facts that we could obtain by the studies we have had made of the project, and we have come to the conclusion that it would be premature at this time to endeavour to construct another railway over the mountains. Of course if the government of British Columbia, which owns the railway, decides otherwise, it will be its responsibility and, I hope, its successful venture. But we have not yet been able to come to the conclusion that it would bring to the national economy such advantages as would warrant recommending more than we are recommending as an item in the supplementary estimates to be brought down.

Mr. Macdonnell: Might I ask the Prime Minister if there is no credit going to any Liberal members in connection with this matter?

Mr. St. Laurent: I think there is credit going to all those who are interested in the development of the country, no matter in what part of the house they sit. We are all Canadians and are all endeavouring, in the different spheres in which we find ourselves, to do our best to further the development of the Canadian economy.

Mr. Macdonnell: Only some more than others.

Mr. St. Laurent: Well, it may be that some are more fortunately placed to be able to be effective in that regard.

HOUSE OF COMMONS

SASKATCHEWAN-ALBERTA ANNIVERSARY—WELCOME TO JUBILEE CHOIR

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, before motions are proceeded with I should like to ask the indulgence of the house to do something which it is not customary to do; but as it can not happen again until Newfoundland has been a province of the dominion for 50 years I am sure the house will agree that what I am going to do will not set any dangerous precedent. The fact is that this is the fiftieth anniversary of the setting up of the two provinces of Saskatchewan and Alberta.

The people of Saskatchewan conceived the idea of having a group of our young high school students travel not only in this country but in the United States, indicating that we can produce something else in Saskatchewan besides wheat. During the past week they have done a very big job in Chicago so far as international relations are concerned. They are on their way home and are taking the long way around via Ottawa in order to be here this evening. I understand they are going to be in the railway committee room at six o'clock, and it is hoped that most, if not all, the members will be able to hear them sing there. The press not only of this country but of the United States have indicated that they are well worth while hearing.

The members of the choir are in the gallery at the moment. I know it is not customary to refer to persons who are in the gallery, but I should like to ask the house to give them a very warm welcome to the city of Ottawa and the House of Commons.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I am a completely modest man. Even though the rugby team from my city won the junior championship of Canada, and the high school curling team won the championship of Canada, I have up to the moment said nothing in regard to those things. But since the Minister of Agriculture has set a precedent at least for today I should like to join him in his words of welcome to these Saskatchewan high school students.

Saskatchewan high school students are people in whom I have been greatly interested for most of my life, and one reason for rising today is that I should like to pay tribute to my friend and former student, Neil Harris, the director of the choir, and one of his assistants, Don Cowan, also a former student of mine. It is unfortunate that these boys, although natives of Saskatoon, have for the time being gone to the foreign city of Regina, but we hope that will soon be remedied.

Speaking seriously again, sir, may I say welcome to our visitors.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, this is one time when there is perfect agreement among the members from the province of Saskatchewan, as to the wonderful contribution of the jubilee choir. Because of the fact that there is no gallery in the House of Commons I cannot mention that the jubilee choir is in a non-existent gallery. Without regard to party considerations, in this year, the fiftieth anniversary of the entry of the provinces of Saskatchewan and Alberta into confederation, we join and walk with history.

Mr. Claude Ellis (Regina City): May I ask the indulgence of the house for a moment. As the member of this house representing Regina City I am proud of the opportunity to welcome this choir that has come from the high schools of that city. I feel I could not let this opportunity pass without saying how proud I am to be the member representing that city. I am certain that the reputation which these young people have built up, not

only throughout Canada but across the continent, is well known to members of this house. They will all have the opportunity of hearing these young people at six o'clock tonight, and they will be singing in a concert at eight o'clock in the Capitol theatre.

[*Later:*]

Mr. Ellis: Mr. Speaker, a moment ago I inadvertently referred to the Capitol theatre rather than the Fisher Park high school auditorium. I think the reason for that mistake is quite obvious. The Capitol theatre has been the scene of the "celebrity" concerts; and knowing the standard of those performances my mistake was quite natural.

Mr. Speaker: Perhaps I should speak on behalf of those who do not come from the province of Saskatchewan or Alberta. I should like to tell the members of the Saskatchewan choir how delighted we are to welcome them here, and how we are looking forward to hearing them this evening. We are all very proud of the fact that Saskatchewan is celebrating its golden jubilee, as is Alberta. All together we say, "God bless Saskatchewan and Alberta".

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 419, for the relief of Marie Therese Jeannette Mainville Froment.—Mr. Hunter.

Bill No. 420, for the relief of Goldie Moscovitch Katz.—Mr. Hunter.

Bill No. 421, for the relief of Yvette Cayer Lefebvre.—Mr. Hunter.

Bill No. 422, for the relief of Regina Wiener Strelezky Distelman.—Mr. Hunter.

Bill No. 423, for the relief of Marie-Louise Ashby Tremblay.—Mr. Hunter.

Bill No. 424, for the relief of Lorna Greenberg Buium.—Mr. Hunter.

Bill No. 425, for the relief of Myrtle Ada Lewin Derbridge.—Mr. Hunter.

Bill No. 426, for the relief of Georges Etienne Barry.—Mr. Hunter.

Bill No. 427, for the relief of Joseph Delphis Guillaume Delorme.—Mr. Hunter.

Bill No. 428, for the relief of Eileen Bayliss Roberts.—Mr. Hunter.

Bill No. 429, for the relief of Ernest Augustus Lepage.—Mr. Hunter.

Bill No. 430, for the relief of Rosaire Jacques Rene Tetrault.—Mr. Hunter.

Bill No. 431, for the relief of Phyllis Lucy Stiles Beal.—Mr. Hunter.

Bill No. 432, for the relief of Margaret Durning Mullins.—Mr. Hunter.

[Mr. Ellis.]

Bill No. 433, for the relief of Mary Elizabeth Lorraine Callard Ramsay.—Mr. Hunter.

Bill No. 434, for the relief of Ann Mary Allward Spighi.—Mr. Hunter.

Bill No. 435, for the relief of Anne Rynski Vincent.—Mr. Hunter.

Bill No. 436, for the relief of Dora Helen Simmons Glancy.—Mr. Hunter.

Bill No. 437, for the relief of Joseph Louis Armand Carrier.—Mr. Hunter.

MUNICIPAL GRANTS ACT

EXTENSION OF BENEFITS—CHANGES IN ADMINISTRATION

Hon. Stuart S. Garson (for the Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient, in the proposed measure to amend the Municipal Grants Act, Bill 258 now before the house, to provide for the amendment of clause 6 so as to add a new section 8 to the main act as follows (the proposed sections 8 and 9 of the main act to be renumbered 9 and 10):

"8. (1) A grant may, pursuant to this section be made to a municipality in respect of real property that is

(a) owned by Her Majesty in right of Canada,

(b) leased to or occupied by a person who is an employee of Her Majesty in right of Canada or a member of the Canadian forces, and

(c) is used by such person as a domestic establishment.

(2) Subject to subsection (3) the amount of a grant made pursuant to this section shall not be greater than a fraction of the accepted value of the property in respect of which a grant may be made under this section, such fraction to be determined as follows:

(a) the numerator is the total amount of the real estate tax levied in the appropriate tax year, and

(b) the denominator is the assessed value of all taxable property in the municipality.

(3) Where in preparing its budget for any tax year a municipality has not taken into account the amount of a grant that may be paid under this section the denominator of the fraction referred to in subsection (2) shall be the assessed value of all taxable property and the accepted value of the property in respect of which a grant may be made under this section in the municipality.

(4) The minister may, in determining the amount of a grant under this section, deduct from the amount that might otherwise be payable an amount that, in his opinion, represents the value of a service that would customarily be furnished by the municipality to the property in respect of which the grant is made and that Her Majesty does not accept in respect of that property.

(5) No grant shall be made under this section in respect of

(a) property in respect of which a grant has been made under section 5,

(b) property described in subparagraph (iv) of paragraph (c) of section 2, or

(c) property in respect of which a real estate tax has been levied on a person described in paragraph (b) of subsection (1).

(6) In applying paragraph (a) of section 2 to this section, the words "federal property" shall be construed as meaning property in respect of which a grant may be made under this section.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

ATOMIC ENERGY

REQUEST FOR STATEMENT ON CONSTRUCTION OF POWER PLANT

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): May I direct a question to the Minister of Trade and Commerce. I understand that this morning a statement was made by Ontario Hydro concerning plans for the construction of an atomic energy power plant in the vicinity of Chalk River. Could the minister give the house further details about this plan?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I believe it would be preferable, Mr. Speaker, that I accept this question as notice and have a statement prepared which I could give in the house next week.

INQUIRY AS TO SETTING UP OF COMMITTEE

On the orders of the day:

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. In view of the fact that his resolution to set up a committee to study atomic energy and research generally has been on the order paper for more than two months, is it the minister's intention that this resolution shall be proceeded with at this session, or is it intended to kill the committee before it has even been born?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I would say to the hon. member that the resolution in question was put on the order paper at the request of members of his own party. They were consulted about the wording of that resolution. I understand, though not officially, that there has been internecine warfare within your party, and that there is disagreement there about the wording. I have waited patiently for that disagreement to be resolved. I understand now we have all agreed that it is too late for the committee to do any useful work during this session.

Inquiries of the Ministry

Mr. Green: Mr. Speaker, in connection with that answer may I point out that the minister's information is entirely wrong. The main reason for the delay in setting up this committee was the fact that the minister was away in Australia. I do not know why he should try to place all the blame on others.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, if I may be permitted to make an observation—

Some hon. Members: Order.

Some hon. Members: Question.

Mr. Murphy (Lambton West): As the minister is well aware, I had a motion on the order paper in this connection. When the minister gave us the assurance on February 3 that a committee would be set up, I withdrew my motion to avoid discussion in this house. There is no reason for the minister's statement at the moment except that he is too cowardly to say—

Some hon. Members: Order.

Mr. Speaker: The hon. member used an expression which is not parliamentary when he said the minister was too cowardly to proceed. I shall have to ask him to withdraw it.

Mr. Murphy (Lambton West): I gladly withdraw it, but I suggest that the minister did not have intestinal fortitude.

Mr. Speaker: I am afraid the words the hon. member has used in substitution are no better, and I shall have to ask him to withdraw those as well.

Mr. Murphy (Lambton West): I shall be very glad to withdraw them and say in my Irish way that he did not have courage.

Mr. Speaker: Of course that is not as bad. The hon. member knows that he could have made his remarks without necessarily indulging in the qualification he did, and when he was asked to withdraw he did not necessarily have to substitute another expression. Now that he has found one that he thinks is inoffensive I do not think I should ask him to withdraw the last one, because we must give him credit for the effort he has made to water down the first one.

INTERNATIONAL TRADE FAIR

REPORTED WITHDRAWAL OF GOVERNMENT SPONSORSHIP

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Trade and Commerce to comment on the accuracy of current reports

that the Canadian government proposes to withdraw its sponsorship of the international trade fair in the future?

Right Hon. C. D. Howe (Minister of Trade and Commerce): No decision has been reached. As a matter of fact council has not considered that question, but I expect to place it before council for decision before the end of the fair.

NATIONAL DEFENCE

REFERENCE TO PUBLIC STATEMENTS BY SENIOR OFFICERS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask a question of the Minister of National Defence. Has his attention been directed to a speech delivered yesterday in Toronto by Air Vice Marshal John L. Plant, and also to the controversial reply to that speech by Lieutenant General Guy Simonds? I would like to ask this. Is it in keeping with our system of parliamentary democracy that high military officers should engage in open debate on controversial subjects, and is it proper and fitting that declarations such as those of the last few days, in a spate of statements by military officers, should be made, as they indicate that something in the nature of a military junta is trying to take the place of parliament?

Hon. R. O. Campney (Minister of National Defence): I think the hon. member's apprehensions are perhaps greater than the facts warrant. I have not seen any comment on the part of the chief of the general staff concerning the speech by Air Vice Marshal Plant. However, I have seen a report of the remarks which Air Vice Marshal Plant is alleged to have made in Toronto yesterday. The remarks as reported in the press do not represent government policy, as the air vice marshal took care to state. Moreover, they do not even represent the views of the air force.

I hesitate to make any further comment until I have tested the accuracy of the report in the press, which reports are sometimes not as accurate as one would wish, and I have not had the opportunity to do so as yet. Until I have done so, I feel that any question as to the propriety of the remarks should be reserved.

Mr. Diefenbaker: May I ask one further question. Whatever may be the degree of accuracy, is it proper for high military officers to be making declarations punctuated by the suggestion that "we are not uttering government policy", but with respect to controversial matters? That is the question.

[Mr. Fleming.]

Mr. Campney: Of course it is not proper for high officers in the services to make statements with respect to government policy. The extent to which they may make other statements is a question of fact in each case. That is why I think we should be sure of the facts before we comment on any such statements.

Mr. D. S. Harkness (Calgary North): I should like to ask a supplementary question of the minister. Air Vice Marshal Plant is reported as having said that the Canadian army should be abolished. If this is not government policy, is it part of a policy by the air force to secure a greater share of the defence dollar, a campaign which the government is encouraging or allowing to go on.

Mr. Campney: I would say the answer to all those questions is no.

Mr. Harkness: Then may I ask another question. If the answer is no, why is it, then, that the government allows this sort of thing to go on?

Mr. Campney: The government has not allowed this matter to proceed along the lines the hon. member suggests, at all.

H.M.C.S. "ALGONQUIN"—STATEMENT AS TO REPAIRS

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, on Wednesday last the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) asked me a number of questions with respect to the repair and refit of H.M.C.S. *Algonquin*. I may say that both the hon. members for Halifax have also asked me about the same thing. As a matter of fact, I think these questions might more properly have been addressed to the Minister of Transport. However, as this is a navy vessel, and as I am familiar with the facts, perhaps I might answer his questions generally.

A contract for the repair and refit of H.M.C.S. *Algonquin* has been allocated by the Canadian maritime commission to the Davie Shipbuilding and Repairing Company at Lauzon, Quebec. The contract was not transferred to that yard from another yard, but was allocated to the Davie Shipbuilding and Repairing Company in the first instance. Some protests have been received concerning the allocation, but I am informed that it represents no change in the practice which has obtained for some years now by which the Canadian maritime commission allocates shipbuilding and ship repair contracts with a view to maintaining a reasonable level of employment throughout the industry.

INQUIRY FOR RETURN

FEDERAL BRIDGES

On the orders of the day:

Mr. C. E. Johnston (Bow River): Mr. Speaker, on May 16, as reported on page 3786 of *Hansard*, a question I had asked regarding federal bridges was passed as an order for return. Could the Minister of Transport advise me when I might expect to get this information?

Hon. George C. Marler (Minister of Transport): I thought the return had been prepared. I shall see that it is brought down shortly.

GRAIN

WHEAT—REQUEST FOR INCREASE IN QUOTAS IN FLOODED AREAS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to ask the Minister of Trade and Commerce whether the wheat board will give consideration to extending and expanding the quotas in the flooded areas, so that farmers with wheat on hand will not have that wheat destroyed as the result of flood conditions.

Right Hon. C. D. Howe (Minister of Trade and Commerce): The question of the movement of grain from particular areas is being worked out between the wheat board and the elevator companies. The elevator companies receive requisitions for certain quantities of wheat, and have the privilege of allocating those requisitions in areas where they will do the most good. If the residents of a particular flooded area will take up their situation with their local elevator company, and if the owner of the elevator company finds that an additional quota is required to do what is necessary, I think the wheat board will co-operate in seeing that grain that needs to be moved is moved.

Mr. Diefenbaker: By extending the quota?

Mr. Howe (Port Arthur): Probably.

SUPPLY

The house in committee of supply, Mr. Applewhaite in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration (including advisory committee on agricultural services), $496,998.

Mr. Nicholson: Mr. Chairman, when the Minister of Agriculture made his speech a week ago tonight I was quite annoyed, and would have made a heated reply had I been able to speak then. However, a week has passed and I realize that the Minister of Agriculture and I must appear on the same platform tonight, so it is important that we remain on speaking terms. I do plan on making some critical remarks regarding his speech of last week, but before doing that I shall devote a few minutes to the hon. member for Vancouver South.

On May 17 the hon. member for Vancouver South made a most provocative speech which was the basis of an editorial in the Regina *Leader-Post* of May 21 entitled "Undiluted Bunk". The hon. member for Assiniboia had presented the case for western agriculture and suggested that it was in the best interests of all Canada that parity prices be established. The hon. member for Vancouver South suggested that this was a ridiculous proposal, and that to carry out the suggestion would cost the taxpayers of Canada between $300 and $400 million. I do not know how much it would cost and I do not think the hon. member for Vancouver South knows, but I would remind him that the drop in net farm income in Saskatchewan between 1952 and 1954 cost the farmers of that province $439 million.

I submit that this drastic drop in net farm income is a matter of national concern. The Minister of Agriculture has given the impression that this drop was the result of a disastrous crop season last year, but that is not the whole story. The main factor is that farm products have not been selling in the domestic or world markets at prices which would give the farmers a fair share of the total national income. Only a small percentage of last year's crops has reached the market, and a great many farmers are still holding grain on their farms which was threshed in 1952 and 1953. Many of them have been unable to deliver a single bushel of the 1954 crop. So this very drastic drop to $126·5 million for Saskatchewan in 1954 from a figure of $565 million in 1952 is an urgent national problem.

The hon. member for Vancouver South should spend some time and find out what is being done for farmers in other countries. The idea of a price support program is not new. It is a program that has been accepted in Canada. Our chief quarrel is that the government of Canada is not attaching enough importance to the problems of agriculture. The hon. member for Middlesex East, when he spoke last night, made some critical remarks concerning those of us who sit in this section of the house, suggesting that we did not face our problems in very good spirit. I do not know of anyone anywhere who accepts injustice with any semblance of gratitude.

We recognize that the problems which confront farmers in the prairie provinces are very similar to the problems which confront agriculture in the maritimes, in Ontario and Quebec; and our reason for not discussing the problems of the cheese producer, the dairy producer, the tobacco producer and the potato grower in eastern Canada is that we do not feel we are competent to deal with these problems, since we have not firsthand information regarding them. We leave it to those who represent farming constituencies, whether in the east, in the west or on the prairies, to speak for them.

To the hon. member for Vancouver South I would suggest that he read one of the United States department of agriculture bulletins, "Price Support Handbook" which points out that the Commodity Credit Corporation was established as a federal agency in the United States in October, 1933, after farm prices had fallen to extremely low levels and farm foreclosures had mounted to record high levels. It was found that as a result of the wise policy which was introduced in 1933, when war came the free nations enjoyed the benefits that resulted from having these very generous supplies of farm products. This bulletin points out that there are some very good reasons why all the taxpayers of the country should contribute public funds to support the industry. It says:

> Agriculture is the most basic industry in our nation . . . Agricultural production conditions are not man-made and as a result production is much more uncertain than production of industrial goods.

They point out that as a result of the improvements in farming techniques, it has been possible for a much smaller percentage of the people to reside on farms. As people have moved from farms to cities and are able to join trade unions and other organizations, they are able to negotiate for a fair share of the national income.

Those of us who are older have seen the trend. I was born in a little town in Ontario where they still have a flour mill. Originally the people of this community made their own clothing on the farms. Every farm had a spinning wheel. Many of the farmers made their own shoes. Many of them made all their farming implements. But as part of our progress farm people decided it was in the best interests of Canada that we produce our machinery, our clothing and our implements in the most efficient manner, and so we have had the development of industry. As a result we have had a diminishing percentage of the population of Canada left on the farms, and those who have remained on the farms have been unable to get their fair share of the wealth of the country.

This study points out that 40 years ago in the United States farmers produced most of their own fuel, their power and their fertilizer, that most of the material needed for the production of food came from the farm. But now in the United States the farmers use 7 million tons of finished steel, more than the quantity used for a year's output of passenger cars; 50 million tons of chemical materials; 16½ billion gallons of crude petroleum; 320 million pounds of raw rubber, 15 billion kilowatt hours of electrical power. These are some of the changes we have witnessed in our own lifetime.

Regarding the over-all costs in the United States, in spite of the criticism in the thirties of the use of public funds to encourage the production and storing of farm products, over 19 years the program has cost about $1 billion in price support. This is an annual average cost of about $55 million a year, or about $1.40 per family per year. So I suggest to the hon. member for Vancouver South and to the editorial writer of the Regina *Leader-Post* that they read something about what is being done to support farm prices and establish parity prices in other countries. In contrast to the editorial in the *Leader-Post*, I should refer to an editorial in the Ottawa *Journal* of May 19 entitled "Trouble Out on the Farms". This editorial makes a reference that might be of interest to us:

> Those who hear or read parliamentary debates will feel that the wheat farmer has able spokesmen who present his case to the nation. But the measure of farm discontent may not always be understood.

They refer to an editorial in the *Western Producer*, a well known Saskatchewan publication, pointing out that at the recent dominion-provincial conference which was held here the unemployment problem was given top priority. The premiers and those who were with them apparently had reached the conclusion that that was Canada's No. 1 problem, but the *Western Producer* and the editorial writer of the Ottawa *Journal* apparently share the view that Canada's No. 1 problem now is our agricultural prices. The *Western Producer* said:

> The consequences of price declines, the falling off of markets and the uncertainty of future prospects which at best are shrouded in gloom all emphasize the gravity and urgency of a worsening situation which, if nothing is done to forestall it, may become very bad indeed. The effect of this gathering crisis should it develop will not be confined in its impact on the fortunes of the

farmers alone. It will automatically strike at the whole fabric of the national economy and might easily mark the beginning of a major depression.

I should like to draw these remarks to the attention of the hon. member for Vancouver South. Now let me come to the speech delivered by the Minister of Agriculture last Friday night. The minister is very skilful in analysing statistics. I think he should have a new set of glasses; he has had those for a long time now. While one cannot say there are any inaccuracies in the figures the minister placed before the house the other night, it is very unfortunate that his whole speech did not even recognize that his department is confronted with a very serious problem.

It should be remembered that the Minister of Agriculture is the only farmer in the cabinet. It is only natural that some of his colleagues who are hard businessmen should be concerned about protecting the public treasury, and if the main spokesman for agriculture in the cabinet presents a picture that is as rosy as the picture the minister presented last week, I do not think we should expect his colleagues to be greatly excited, for example, when the minister points out that last year was a pretty bad year but the trouble was confined chiefly to the prairies.

If you take last year's net farm income and average it with the three previous years, you get an average for four years that is higher than the average for any other similar period of time. That is quite right. But that is cold comfort for the people who are obliged to live for 12 months on last year's income. I think the minister should have brought to the attention of the committee and of his colleagues the fact that the net farm income in Saskatchewan last year was down to $126 million from a high of $565 million in 1952 and that it was down in all Canada to $1,125 million from a high of $2,154 million in 1951.

Mr. Gardiner: Mr. Chairman, I did give that latter figure.

Mr. Nicholson: The minister glossed over it. I think his emphasis was on the fact that the average, taking last year with the three previous years, gave us a fairly good picture. I think the minister should have drawn attention to the fact that, with present costs as they are, it is difficult for anyone anywhere in Canada to venture into the farming business and ever hope to make a decent return on his investment and a decent living for his family, on the basis of 1954 prices and the outlook for marketing as we can see it from this angle.

I might refer him to the findings of the Searle Grain Company Limited reported in their weekly letter of January 5. This is in connection with the high cost of starting farming. This is the result of a survey in the west. I am sure the minister will agree that these figures are approximately correct. They suggest that an efficient farm unit should be at least a half section. These are figures that the Searle agencies apparently collected from all the western provinces. They suggest that you would have to invest $13,500 for your land; $8,950 for buildings; $8,469 for equipment; $1,580 for livestock; and that you need $2,099 to carry on for the first year. In other words, you would require $34,604.

I am sure if you take these figures, and take similar figures for the maritimes, Ontario, Quebec or any other province in Canada, the conclusion would be that if you were to hope for interest at 5 per cent on this sort of investment and take the prices currently being paid for dairy products, meat products, cereals and other farm products, you would have to live a long, long time and have better crops than we have had on an average over a period of time.

I do not want to suggest that the Minister of Agriculture and his department have not done anything. In his speech he mentioned two things that I should like to endorse. He referred to the contribution they made in fighting foot-and-mouth disease. I think his department did a remarkable job at that time. I also believe Canadians should be proud of the fact that they came out with Selkirk wheat before the United States was able to produce a similar grain. Last fall some of our farmers were being offered as much as $50 a bushel for Selkirk wheat if permits could be obtained to move it across into North Dakota and Montana. I must therefore give the minister's department credit for the scientific work that is being done.

My main quarrel with the minister and his department is that in my opinion they are not presenting the problems of agriculture in all parts of Canada in their true light so his colleagues in the cabinet will make available sufficient funds to give the farmers a fair share. The situation is as one of these briefs pointed out. One says 20 per cent of the people are classified as farmers, and another says 17 per cent; but whichever figure you take, the share of the national income going to the farmers is now down to under 10 per cent. You are bound to have trouble if an important section of the people such as the farmers are getting about half their rightful percentage of the national income. The minister should have recognized that in his own province—

Mr. Churchill: You should have said half as much as they should get.

Mr. Nicholson: I am sorry. Yes; the farmers are getting about half what they should be getting. The minister, in my opinion, should have drawn attention to the fact that as the result of factors over which the farmers have no control—as a result of drought and flooding—we have special problems which do not exist in other parts of Canada. I know that members from the east and from the west think we complain too much about drought or flooding, but I submit that when you come to parliament you have a responsibility to represent the people who send you here.

In the last few weeks I have written to municipalities in my constituency to ask them the picture in regard to arrears of taxes and how much damage there has been from floods. The minister will be familiar with these rural municipalities. They are all in an area where we have never had crop failures from drought. Some of this is the best land anywhere in the world. For example, Moose Range municipality is in the Carrot river area. Much of this area was opened up for settlement under a Conservative government. Later a Liberal government in Saskatchewan continued the program, and then the C.C.F. carried on. There is therefore no political issue that can be raised with regard to the problems in Moose Range municipality.

Mr. Gardiner: Will my hon. friend not agree that the provincial government drained the Moose Range area? It was not the federal government; it was the provincial government.

Mr. Nicholson: I am not going to discuss the drainage problem, although I think that is one we might discuss. Again the Conservative government and the Liberal government—

Mr. Gardiner: I happen to have been the minister at the time it was done.

Mr. Nicholson: Yes.

Mr. Gardiner: It was done by the provincial government with no assistance from Ottawa at all.

Mr. Nicholson: I am sure the minister will also agree that when he was the minister he had no idea that the rainfalls in the years 1950 to 1954 were going to be two or three times as much per year as they were when it was decided that the area was to be drained.

Mr. Gardiner: I had a letter this week from a man who lives in that section—not up that far north but in the northeastern section of the province—who says that if the people who are writing now had been here in 1882 and 1884 they would have seen the water level about where it is today.

Mr. Nicholson: Anyway, Mr. Chairman, here is a rural municipality that has arrears of taxes of $210,000. Here is a municipality that has had damage to its roads and bridges this year estimated at $85,000.

Mr. Castleden: Due to flooding.

Mr. Nicholson: Yes, due to flooding. That is a grave problem for the people who live in that municipality. As I said, it is a municipality in an area where Conservative, Liberal and C.C.F. governments agree there is exceptionally good farm land. It was never known that there would be the rainfalls we have had within the last four years. I do not think there are any engineers anywhere who can devise a drainage program—at least they could not have done it 10 years ago—that would have assured them that they would pass through this era without any problems. The Porcupine municipality has arrears of taxes of $123,000; Preeceville, $72,000; Livingston, $49,000; Kelvington, $99,000; Invermay, $39,000; Clayton, $89,000; Bjorkdale, $109,000.

Those nine municipalities have arrears of taxes totalling $910,000. They have estimated the damage to their roads and bridges this year at $356,000. I submit that the people who have gone into those areas to produce foodstuffs for the nation have no way of controlling the rainfall. They have no way of taking out insurance so they can be sure that whenever they have this excessive rainfall they will have the wherewithal to meet their taxes.

There is a very closely allied problem. The Canadian wheat producer is selling his wheat in world markets at the lowest price being paid to farmers anywhere in the world, with the exception of one very small country that I mentioned when I spoke on this question in the house on May 17. In the April, 1955, issue of the minister's publication, "Agriculture Abroad", there are interesting articles on what is being done in Australia, Belgium, Czechoslovakia, France, the Soviet union, Spain, Turkey, the United Kingdom and the United States. I know the minister will say that in the final analysis farming conditions are better in North America than anywhere else in the world, and that is true. I must say that in all these countries it seems to be admitted that the farmers are getting less than their fair share of the national income.

In the iron curtain countries of Czechoslovakia and the Soviet union one problem is that the farmers are not getting their fair share of the national income. But our main competitors are putting large amounts of public funds into subsidizing the production and sale of cereals, and I submit it is not fair to ask Canadian wheat producers to buy everything they have to buy in a highly protected market, and sell their products in the open market.

France, for example, hopes to raise the farmers' share of the national income by 7 per cent. I wish the minister had said last Friday might that he would do his very best to win the approval of the cabinet for the support of net farm income in Canada. At page 14 of the publication, "Agriculture Abroad", there is the following:

> With the inauguration of the new Faure government in France, a number of statements on agricultural policy have recently been made, all of them tending to follow the same lines as those of former governments. In his investiture speech, Mr. Faure promised to raise farm income by 7 per cent during the next year, the same rate of increase as promised for general purchasing power. He also expressed the hope of setting prices for basic crops two years in advance to permit farmers to plan ahead.

The sum of $20 million is being put into the pot to enable French wheat to be sold in other countries in competition with Canadian wheat. How can we expect the Canadian farmer, who is getting a final price of $1.56 a bushel, to be able to ship his wheat to Europe and compete with wheat produced in France having the benefit of such a large subsidy? In the United Kingdom 70 cents a bushel is being paid to wheat producers to encourage the production of wheat. The countries of western Europe have all decided that they want to be more self-sufficient if at all possible, and in Great Britain 70 cents a bushel is being paid by way of subsidy.

Mr. Blackmore: Will the hon. member permit a question?

Mr. Nicholson: Yes.

Mr. Blackmore: He says the farmers of Great Britain are being paid 70 cents. In addition to what?

Mr. Nicholson: I am sorry I have not those figures here, but that is approximately the amount of the subsidy the United Kingdom is paying per bushel of wheat. I put those figures on *Hansard* on the 17th of May.

Mr. Blackmore: Perhaps the hon. member could give them a little later.

Mr. Nicholson: If the hon. member will be good enough to look up what I said then he will find the figures for the United Kingdom. The Tory government there, in an attempt to give agriculture a better deal, is making quite generous provisions in a number of fields. I might say that at the British Labour party conference held at Scarborough last year I sat in with the farm experts of the Labour party. They are not quite as vocal as the farm experts in our party, but one of the things they decided had to be done, if and when they formed the government of Great Britain, was to see to it that somehow or other the farm population would receive a larger share of the national income. They said the fact that the farmers were receiving such a small share was affecting the whole economy, and so they were counting on doing better than the Tory government.

The Tory government has instituted subsidies of £12·8 million for fertilizers, £7 million for lime, £4 million for grants for plowing up grassland, £2·4 million for field drainage, £1·7 million for improvement of livestock rearing, £1·1 million for marginal production assistance, £10 million for bonus payments under the tuberculosis herd scheme, £135,000 for improvement of livestock, £6·5 million for a calf subsidy, £1·3 million in respect of payments for hill sheep, and £1 million for guaranteed prices for home-produced wool. The total of these figures has been expressed in dollars by the minister's department, and it amounts to $132,480,508.

In addition wheat is being subsidized at the rate of 70 cents per bushel. The wheat subsidy does not appear in the table of figures to which I have just referred, but from other figures I have found that it works out to about 70 cents per bushel. I think it is an impossible situation to ask the Canadian farmer to produce farm products in a highly protected market and sell them in an open market in competition with products receiving that sort of assistance.

I realize the minister is not the only one who creates problems for us. My attention was drawn to certain speeches made in England by Mr. J. H. Wilson of Indian Head, which were given a good deal of publicity over there. Naturally the people of Great Britain want to buy their food at the lowest possible prices, but in the *Manitoba Co-operator* of March 10, 1955, I find the following with respect to what Mr. Wilson had to say:

> According to the *Corn Trade News*, he can produce 30 to 35 bushels of wheat to the acre and, on this basis, he estimates his average cost per bushel at 50 cents.

That reminds me very much of a speech the minister made some years ago when he said that wheat could be produced at 40 cents a bushel.

Mr. Gardiner: I wish my hon. friend would finish the story. I said if the farmer had 20 bushels to the acre.

Mr. Nicholson: Yes, I am glad to have that added.

Mr. Gardiner: That was 20 years ago.

Mr. Nicholson: Yes, when costs were a good deal less than they are now. But what about this figure of 35 bushels to the acre? Of course many farmers have produced 65 to 70 bushels to the acre. Quite frequently in the Moose Range country a figure of 65 bushels to the acre has been reached, and in that area land has changed hands at $15,000 a quarter within recent years. Everybody agrees it is the best of land, but all our land is not of that quality.

The Searle Grain Company has issued a table giving the average yields as far back as the records go, 1878. In 75 years there have only been 21 years when the average in the prairie provinces was over 20 bushels to the acre. Therefore when a man makes speeches in London and says we can produce 35 bushels to the acre he is talking through his hat. While it can be done on small parcels of land, the average over the years in the prairie provinces is much less than that.

The best year was 1887, when the average was 26·5 bushels. The next best year was 1952, when the average was 26·3 bushels, but from 1934 to 1938 the averages were 11·3, 11·3, 8·1, 6·4 and 13·5. An average of 35 bushels to the acre has never been realized.

Mr. Wilson makes another very strange proposal. First of all he says he can produce wheat at 50 cents a bushel. Then he apparently wants the wheat board out of existence, but at the same time wants the government to guarantee a price of $1.55 a bushel. Well, that certainly makes no sense to me. If he can produce at 50 cents a bushel, why does he want the government to guarantee the farmer a profit of 200 per cent? Wheat cannot be produced at this price if you take into account the farmer's cost of production, his investment in his land and all the other factors that enter into cost.

The minister referred a good deal to the representations of the Canadian Federation of Agriculture. While I think cabinet ministers and members of parliament should read these representations and study them carefully, I feel we have to reach our own conclusions. The president of the federation used a very good quotation in his annual address that I think the cabinet should never forget. He referred to the late Mr. King's radio address back in December, 1943, when Mr. King said:

> If to help win the war, the farmers are asked to accept a ceiling on prices, we believe they are entitled to a floor under prices to insure them against an agricultural depression after the war. As an essential part of its post-war policy the government intends to ask parliament at the next session to place a floor under the prices of the main farm commodities.

At the next session parliament placed a floor under the prices of main farm commodities. Mention was made of this fact in the speech from the throne closing the session, as follows:

> As a further safeguard of a basic standard of living provision was made at the present session for floors under the prices of farm and fish products. These measures insure two great primary industries against the hazard of a collapse of markets or prices after the war.

I believe the general understanding at that time was that legislation would guarantee the farmers and fishermen a fair share of the national income. However, I believe we could substitute for those words the words "parity prices". I believe the simple definition of parity prices is fair prices to the farmer for the products that he produces, so he will have a fair share of the national income. I feel the minister has scientific people in his department who could work that out.

In the brief presented by the federation of agriculture on March 1 certain proposals are put forward in support of their discussion of the dairy industry, which I feel are quite constructive. I believe their suggestions regarding price support should be noted. However, this is where I find myself wedged in between the hon. member for Acadia and the hon. member for Assiniboia in their discussions concerning 100 per cent parity. The Canadian Federation of Agriculture brief states in this regard:

> We do not believe it is sound or practical to look to a price support program to guarantee the farmer prices which represent a full fair (or parity) relationship for each individual product. The result of such 100 per cent guarantees, if attempted, would inevitably be a high degree of government direction and control over agriculture. We do not believe farmers wish to submit to such extensive government participation in their business, nor do we believe it is reasonable to ask the government to undertake such a commitment.

I am sorry, Mr. Chairman, but I cannot go along with that reasoning. I agree that a parity price for wheat may be considered too high, and one might decide that he did not want to go to parity. But I see no reason why those who speak for farmers should not insist on 100 per cent fair prices for the products of the farm.

Mr. Gardiner: Would the hon. member indicate where in that representation by the federation they stated that?

Mr. Nicholson: They say here—

Mr. Gardiner: I said in my speech that they did not agree with you on that.

Mr. Nicholson: That is the point I am making. The federation of agriculture seems to take it for granted they cannot get a 100 per cent fair deal from this government.

Mr. Gardiner: They did not say that at all. They simply made up a table. In the first place, the speech that has just been quoted from was made in Edmonton last January. Then they sat down in committee and worked out the basis on which these support prices should be established. When they worked it out it was found to be almost identical with the one we had worked out before.

Mr. Nicholson: If the minister is correct—

Mr. Gardiner: I am correct.

Mr. Nicholson: —there is no reason why the farmers' share of the national income should be down to this very low level. If the prices the minister has worked out in consultation—

Mr. Gardiner: If my hon. friend just takes the table there in the article from which he has been reading he will find that the base prices are as they are now.

Mr. Nicholson: I am sorry but I cannot agree with the federation of agriculture and the minister if they are trying to establish that the prices in Canada for dairy products, for meat products, for cereals and for all agricultural products are giving the farmers a fair share—

Mr. Gardiner: They have not said that, and that is not what you are discussing. They established what they think the floor ought to be. When they established what they thought the floor ought to be it was found to be about what the floor is. Prices have been above the floor many times and are, in many instances, above the floor right now.

Mr. Nicholson: If I may read this again:

> We do not believe it is sound or practical to look to a price support program to guarantee the farmer prices which represent a full fair (or parity) relationship for each individual product.

Mr. Gardiner: Then they say it should be from 65 to 85 per cent of parity. All our floors as established are between 65 and 85 per cent of their parity and the prices are considerably higher than that in most instances.

Mr. Nicholson: The point I should like to make is, if you are going to drop some to 65 per cent you must build some up to 135 per cent or 155 per cent. You must see that for some products the farmer gets a price that is a great deal higher than a fair price in relation to the prices the farmer is paying for his machinery, fuel, taxes and other factors that go into farm costs. Unless you see that the farmer gets above parity in some of these cases he has no chance in the world of getting a fair share of the national income. That is the point the hon. member for Assiniboia has been trying to make, that the over-all structure should, in the final analysis, see that the farmer of Canada gets his fair share of the national income and nothing less.

I cannot see the suggestion that the taxpayers of Canada might share the point of view of the hon. member for Vancouver South that farmers are unreasonable in asking for a wheat board and asking for support prices for Canadian products, when these other countries competing with us in the markets of the world are subsidizing their products to the extent I have mentioned.

My time is running out, but I have had several interruptions from the minister, so I shall conclude shortly. Before I conclude I want to say a word about the international responsibility we should face. I feel the objective of Canadian agriculture should be to produce maximum quantities of food in Canada, for the use of the Canadian people and to be made available to our customers who can buy it, as well as those in other countries who cannot buy it. I feel that the farmers of Canada should not have to pay the price of give-away wheat.

The hon. member for Assiniboia enumerated a 25-point program some little time ago. I should like to emphasize 10 points that we might remember a little more easily than 25. They are in line with what he said.

1. We should have maximum production of food for use at home and abroad at parity prices.

2. We should establish a national marketing board for all agricultural products.

3. We should establish a board of livestock commissioners.

4. We should support the continuation of the international wheat agreement and the establishment of other international commodity agreements.

5. Canada should participate in an international food pool to distribute food to hungry people.

6. We should change the P.F.R.A. to the C.F.R.A.—the Canadian farm rehabilitation act.

7. There should be an increase in payments under P.F.A.A. to provide for depreciation in value of the dollar since the act was passed.

8. We should provide a free school lunch program in co-operation with the provinces, to dispose of surplus bread and dairy products.

9. There should be federal assistance for the building of storage space and the storing of surplus foods on farms; and,

10. There should be federal assistance for the maintenance of municipal roads in various parts of Canada.

Mr. Gardiner: Mr. Chairman, the point I was making a moment ago was that the federation came here with a worked out formula which I called an algebraic formula. That algebraic formula indicated that if we were about half way between the 65 per cent and 85 per cent of parity in setting a floor price for hogs, that price would be 23 and a fraction cents. As a matter of fact it is 23 cents. It was set at 23 cents in January of 1953, and it has been 23 cents all the time since.

But the price of hogs has never been down to 23 cents, basis Toronto, during that period of time. Today it is either 26 or 27 cents. During that time it has been up as high as 38½ cents. So when a floor price is set for any particular product you do not say what the price is going to be; you simply say that it cannot get lower than that floor price. If it does, the government will take that product. During that whole period of time we have never had to buy a single hog. Hogs have been above 23 cents all the time. I just wished to make that clear.

Mr. Quelch: Mr. Chairman, as I have already discussed the subject of floor prices this session I shall not have anything to say on that point at the moment. However, I do wish to discuss another matter that I believe is of major importance not only to the farmers of western Canada but also to those in eastern Canada. I am sure the hon. member for Middlesex East would agree that what I shall say will have application to eastern Canada, though it is true that when I speak I have western Canada in mind.

When the interprovincial farm union council presented their brief to the committee on agriculture they stressed that in their opinion crop insurance was second in importance only to the subject of support prices. Therefore at this time I wish to deal generally with the whole question of crop insurance.

There is no doubt that today in western Canada there is a growing demand for the institution of a system of all-risk crop insurance, which would be put into operation by the federal government in co-operation with the provinces. It is interesting to note that all western farm organizations, along with the Canadian Federation of Agriculture, have urged the government to bring in a scheme of crop insurance, in conjunction with the provincial governments. At the present time hail insurance is the only kind available in western Canada.

I am sure the minister would be the first to admit that the Prairie Farm Assistance Act is not crop insurance. I say that because there is no guarantee under that act if a farmer suffers loss he will receive compensation. Payment of compensation depends upon what the situation may be surrounding certain farms. Of course the Prairie Farm Assistance Act has been of tremendous value to certain areas in western Canada, and I think no area has benefited more than part of the constituency I represent, so far as the province of Alberta is concerned. In many parts of that area prairie farm assistance has been given practically every year since the act was introduced. On the other hand there are areas in my own constituency, on the gumbo plains, where I doubt if it has ever been paid.

However, you hear this same criticism of the act, both in areas where it is paid almost continuously and in areas where it is rarely if ever paid, that if a farmer is compelled to contribute to a scheme he should be entitled to compensation under it. This is not the case under the Prairie Farm Assistance Act. In the park belt and on the gumbo plains there are many farmers who rarely have crop failures. When they do have failures it is due to hail or possibly to frost. Drought is almost unknown in those areas.

So we hear farmers, both in areas where it is paid regularly and in those where it is not paid, saying they would be willing to pay a higher levy if in return they had the guarantee that in the event of loss they would receive compensation. In other words, they want a system of all-risk crop insurance instituted.

Last year a number of meetings were held at Drumheller, where the agricultural association discussed the whole question of crop insurance. At that time they brought certain officials from the United States who were familiar with the operation of crop insurance in that country. Those officials were asked to explain the act, and a great deal of interest was shown in their explanation of the way crop insurance has operated in that country. I think the time is long overdue for the institution of a system of crop insurance in Canada.

I am not suggesting that the Prairie Farm Assistance Act should be changed to a system of crop insurance because, as the minister has said on many occasions, it would probably run into constitutional difficulties. But it seems to me there would be nothing unconstitutional about a voluntary system of crop insurance. Surely we have not got into such a constitutional strait-jacket that if the federal government, in co-operation with some of the provinces, desired to institute crop insurance, we would not be able to find ways and means of doing it. If we could do it in no other way we could do as we have done in connection with marketing; we could have a national crop insurance scheme and then have the provinces pass enabling legislation.

Under a system of crop insurance I suggest the country should be zoned into districts in which coverages and premiums would be adjusted in accordance with crop conditions existing therein over a period of time. Probably it would be necessary to leave certain areas out of the scheme; that is, areas where crop failures are recorded continuously. Those areas could not be brought under a system of crop insurance because the rates within such areas would be prohibitive. They could continue under the Prairie Farm Assistance Act.

I suggest that if the country were zoned each zone could vote as to whether it should be allowed to continue under the Prairie Farm Assistance Act or should come under a system of crop insurance. Where crop insurance was instituted, P.F.A.A. could be discontinued and the levy no longer collected. Losses could be met by a levy paid on wheat within P.F.A.A. areas, and from the general revenue fund. After all, there is no reason why farmers who live in an area where P.F.A.A. is not paid should have to contribute twice, because if they were not going to be eligible for compensation, then why should they be contributing twice, first by the levy and second by taxation? I suggest in that case losses could be met from the general revenue fund and by levies on the wheat of those within the P.F.A.A. area, and those who went under crop insurance would be paying for their own protection through premiums for crop insurance.

I know some members have argued that crop insurance in Canada is not feasible. Instead of discussing the question on a theoretical basis, I think it is better to discuss it on its past record. We are fortunate in being able to do that, because crop insurance has been in operation in the United States since 1938. I would say the hazards in Canada are no greater than they are in the United States, especially when you consider the dust bowls that were created in various parts of that country.

Reference has been made to a study made by the late R. E. Motherwell entitled "A Study of Crop Insurance", published in 1944. I notice that on page 19 he states that it might be said that the experience with all-risk crop insurance in the United States was disappointing. Note that that statement was made in 1944.

Crop insurance in the United States was instituted in 1938, and from that year until 1944 very heavy losses were suffered. During that period there were losses of about $71 million, $7 million being for wheat alone. In 1944 the act was suspended. Therefore in making an analysis of crop insurance in the United States it certainly would not be fair to base it upon the period 1938 to 1944, during which crop insurance was in its infancy and heavy losses were suffered. An interesting point to note is that after 1944 a number of radical changes were made in the act, and during the past six years the act has operated most successfully.

As I say, the act was first instituted in 1938. No private insurance was available in the United States, as in Canada, except hail insurance. During the first year wheat only was insured but in the following year cotton, flax, corn and tobacco were included in the scheme. Insurance could be for 75 or 50 per cent of the average long-term yield. The contracts were for one year only, meaning that the insurance had to be sold every year, increasing the expenses of selling the insurance.

At that time adjustments were in the hands of local committees, and it was found quite often that the local committees were far more interested in paying large indemnities to the farmers than in trying to really assess the actual losses. As I have pointed out, during that period from 1938 to 1944 the losses were $71 million, of which $7 million was for wheat.

I should like to refer to the various changes that were made in 1946 and 1947, and which are applicable today. Now insurance is allowed only up to 75 per cent of the average long-term yield or the actual amount invested in the current crop, whichever is the lesser of the two. Coverage and premium rates are set by areas instead of on an individual basis. Adjustments are of course on an individual basis. A local agent is appointed in each county to sell and service the insurance instead of having it handled by local committees as in the past. The adjusters who

set the losses are responsible directly to the state authority instead of to the local committee.

Largely as a result of these changes there has been considerable improvement in the over-all position of the insurance corporation, and during the past six years we find that the premiums and indemnities have been virtually in balance. This is in spite of the fact that during the past three years they have had heavy crop losses. In the report to congress in 1953 by the federal crop insurance corporation we find this on page 1:

> The 1953 losses were the heaviest of three successive years of serious drought losses under the crop insurance program.

And then at page 5:

> The most significant fact revealed by this chart from the standpoint of sound insurance operations is that premiums and indemnities are virtually in balance for this six-year period.

A table shows that during that six-year period the premiums were $106·5 million while the indemnities amounted to $106·6 million. In other words there was only one-tenth of a million dollars lost during that whole six-year period. It is interesting to note that in connection with wheat alone there was actually a profit of $1·3 million, so the losses shown were on crops other than wheat.

Roughly, crop insurance in the United States is put into effect by guaranteeing the farmer a certain amount of production. If his production falls below that amount he is indemnified for the shortage. For instance, if a farmer insures 100 acres at a yield of 10 bushels per acre; if for insurance purposes the price is set at $2 per bushel and then he produces only 400 bushels, the shortage of 600 bushels would be made up to him at $2 per bushel, or a total of $1,200. The first application for insurance must be made before the closing date, which is a short time before planting; but once the first application has been made the insurance continues in force until it is cancelled. After planting the farmer must fill out certain forms and pay the premium, but he may delay paying the premium until his harvest operations.

Considerable interest has been shown in the premium rate for insurance in the United States. Some people are of the opinion that the cost is prohibitive to the farmer, but the actual figures prove the opposite to be true. The premium rate varies considerably across the country, but the average is $75. We find that some large farms paid over $1,000, while small farms would pay $5 or $6. The actual percentage figures are quite interesting. Taking 1953, which was a year of quite heavy losses, the average premium for all types of insurance bought was 6·2 per cent of the protection afforded. The average premium that actually would have been required if all losses had been met would have been 6·7 per cent of the protection afforded. That is for all crops. On wheat alone, in 1953 the average premium paid was 8·5 per cent of the protection afforded. If all losses had been met in 1953 it would have required a premium of 8·7 per cent of the protection afforded.

It must be remembered that many farmers in the west pay considerably more than that for hail insurance alone. I think hon. members will agree that these are most moderate rates. I am satisfied that under an all-risk system of crop insurance in western Canada the hail insurance rates would be brought down considerably. If you had an insurance scheme applicable to all areas I am satisfied you would get the insurance rate down.

The reason for this is obvious. Those people who insure against damage by hail are chiefly those who feel they might suffer losses from hail. Then, farmers hesitate to insure against hail because they know if they have a crop failure from other causes than hail they are not going to be able to pay their hail insurance premium in the fall. I am sure if there were a system of insurance covering all hazards you would have a wide coverage in western Canada and your rates would be similar to those in force in the United States.

The federal crop insurance corporation is an agency of the United States department of agriculture, with a capital stock of $100 million in the form of a revolving fund. That $100 million is subscribed by the federal government. It covers all hazards except theft, neglect and poor prices. Insurance is not written unless there are 200 applications within a county, or unless 30 per cent of the total number of farmers in the county make application for it. Insurance is on a voluntary basis. Premiums are required to be set at a level that it is believed will be adequate to cover losses that may occur.

Insurance is not available in all counties. In counties where the hazard is very great, insurance is not written and the farmers there have to depend upon some form of relief measure. In Canada, of course, areas like that would continue to be covered by the Prairie Farm Assistance Act. In most counties insurance is written only for one type of crop. On the other hand, there are cases where two crops have been insured under a form of insurance known as multiple insurance.

It is interesting to note that insurance covers the majority of the heavy wheat producing areas in the United States. In 1954, some 803 counties were insured out of a total of 3,000; that is, more than a third of a million farmers were insured. Wheat is the main crop that is insured.

Some may ask the reason there are not more farmers under crop insurance in the United States. The answer is that crop insurance in the United States is still on an experimental basis, and therefore the government are not willing to allow all counties to insure. But the area is being steadily extended. I should like to quote from the report by the federal crop insurance corporation on that question. This is found on page 22 of their directive, referring to the period after 1944:

> As a result of the new legislation and other changes made in the insurance and its operation the financial experience improved greatly on wheat and the experience on flax, tobacco and corn was quite satisfactory. However, large losses occurred on cotton insurance in 1945 and 1946, primarily as a result of droughts in the southwest. By the end of 1946, over three-fourths of the original capital of $100 million had been lost. However, a profit of about $8·5 million was made in 1947 recovering part of these losses, but not before the congress had reviewed the operations in the light of the 1945 and 1946 experience and had decided to reduce the program to more of an experimental basis. Insurance was authorized in only a limited number of counties. There were 200 wheat counties and 56 cotton counties and a smaller number of counties for the other crops. Provision was made that insurance should not exceed generally the investment in the crop in the area. While the number of counties was restricted, the congress indicated that this experimental period should be used to develop insurance for other types of crops so that when the insurance was offered again in some of these counties, it could be offered not necessarily on wheat or cotton but on the crops that provided the major source of income for the farmers there. Since then insurance has been started on beans and citrus fruits and with the multiple crop insurance started in 1948, insurance has been applied to many different crops . . .
>
> The insurance experience since 1948 has been more satisfactory. Insurance operations since that time might be considered as more intensive rather than extensive operations. Congress on several occasions has reviewed the program and has authorized gradual expansion of the number of counties where insurance is offered.

It points out that it was brought down for a short time to 200 counties; that was all the counties where the corporation was allowed to write the insurance. That has now been expanded to 803 counties, and there is every indication they will be able to continue to expand the operation of the insurance. When we say that, comparatively speaking, there is not a large percentage of the farms in the United States insured, I would point out that it is largely as a result of the insurance corporation keeping its operations down rather than the farmers refusing to insure under it.

The report shows quite conclusively that all-risk crop insurance can be provided at a reasonable cost so long as you exclude the submarginal, heavy risk areas. Those areas have to come under some form of relief measure, and in Canada they could continue to come under the Prairie Farm Assistance Act. I would suggest that any attempt to bring some of these submarginal areas into a crop insurance scheme would break that insurance program. I am convinced that all-risk crop insurance could operate in Canada, but it will have to be underwritten by the federal government in the same way crop insurance is underwritten by the federal government in the United States. It is interesting to note that the late Mr. R. E. Motherwell, in the study he made of crop insurance in 1944, came to the same conclusion. On page 35 he states:

> Since the three prairie provinces are so closely associated in agricultural production, any attempt at crop insurance could best be handled by federal administration affecting the area now affected by the Prairie Farm Assistance Act. Admittedly, insurance is not a federal matter but this problem clearly seems one requiring a broader scope than just one province.

The part played by crop insurance in the United States has been important. I believe it could play just as important a part in this country. I should like to quote from the federal crop insurance corporation's report to congress in 1953, upon the effect the system has had upon the general economy of the country. I quote from page 1:

> The service to individual farmers and the nation that a soundly operated crop insurance program can provide is strongly emphasized by crop disasters such as resulted from the widespread 1953 drought. This program utilizes established business principles of insurance to enable farmers to do for themselves what otherwise requires emergency assistance from the government. The value of this service is not measured solely by the indemnities paid. Crop insurance policies provide security for crop loans which often cannot otherwise be obtained from private sources. Moreover, the protection provided by crop insurance is not limited to the insured farmer but extends through him to the community in which he lives and the channels of trade through which his crop or indemnity dollars pass. The need for such insurance has increased in recent years as the operating capital required for successful farming has increased. There is still much improvement to be made in all-risk crop insurance before it can attain the goal of providing all farmers the opportunity to insure the money spent on crop production against loss from causes beyond their control. The attainment of such a goal will require the development of crop insurance protection on additional crops and in areas where the program is not currently operating.

Those remarks could apply to Canada just as well as they apply to the United States. I am sure the Minister of Agriculture would say they apply equally as well to the operation of the Prairie Farm Assistance Act, and I would agree with him; but on the other

hand the Prairie Farm Assistance Act was never intended to provide crop insurance on a wide scale, nor can it do so.

In view of the high cost involved in producing crops, there is a need today for crop insurance that will make it possible for the farmer to insure the money he has invested in the production of the current crop. At the present time unemployment insurance gives stability to labour. Crop insurance would be able to give a great deal of stability to the farmer. The government contributes to unemployment insurance, and there is no reason why the government should not be prepared to at least underwrite a system of crop insurance. It might mean that in many years they would not have to make any contribution at all. It would merely mean setting up a revolving fund which could be used in case of catastrophe.

There are minimum wages to protect labour. Support prices in the same way should protect agriculture. I would suggest that with adequate support prices and a system of crop insurance we could stabilize farm income; and if you stabilize the farm income you will be helping to stabilize the whole Canadian economy.

Mr. Weir: Mr. Chairman, as whip of the party I am perhaps not supposed to make speeches. Possibly this would be particularly so with respect to the first item of the estimates of the Minister of Agriculture. I am supposed to be something like the small boy, to be seen but not heard. However, there is a matter that I think is of sufficient importance to the members of the House of Commons and to the country that they should know more about it, and I am taking advantage of this opportunity, on the minister's estimates, to speak of it. I think I am justified in doing so because it involves agricultural policies and, as well, certain features in the estimates of the minister's own department.

I refer at this time to the serious flooding conditions now existing along the Assiniboine river east of the city of Portage la Prairie and affecting farm lands in the municipality of Portage la Prairie, Cartier, St. Francois Xavier and Macdonald. At the present time there are well over two townships of land completely inundated and which will not be seeded this year. In addition the village of Elie is also in danger of being flooded.

This is the second flood in part of this area this year. The first was caused by an ice jam during the spring breakup. It forced the evacuation of about 300 families in the middle of the night on the south side of the city of Portage la Prairie, as well as endangering the R.C.A.F. station south of the city. The second flood is of a much more serious character and, of course, of much longer duration. This second flood now under way is due to a heavy rainstorm in the upper reaches of the Assiniboine river and the Qu'Appelle valley in the province of Saskatchewan. Apart from the ice jam which occurred earlier, there would have been no serious flooding along the Assiniboine river this year had it not been for this critical storm in the province of Saskatchewan.

I made a trip to my constituency to view the flood and damage caused by the ice jam during the Easter recess. During the beginning of this week, along with the Minister of Justice and the hon. member for St. Boniface, I spent the greater part of three days looking over what is now taking place.

The Assiniboine river drains an area of nearly 60,000 square miles, which includes a large part of eastern Saskatchewan and all of western and northern Manitoba and includes the run-offs of the Duck mountain, the Riding mountain and the Nut mountain. Its main tributaries are the Souris river, the Qu'Appelle river and the Minnedosa river. All the water from this area must flow down the Assiniboine river and meet the Red river at the city of Winnipeg. Should those two rivers meet in full flow it could be an extremely serious matter to the city of Winnipeg.

I should like to indicate for a moment just what I saw on this last visit. I saw thousands and thousands of sandbags. I saw volunteers placing those sandbags in an attempt to save the dikes and prevent a break-through. I saw bridge planks and timbers packed in weak places. I saw as well the army taking its part in attempting to protect the dikes and prevent any additional flooding. Perhaps I can describe it best by saying that the Assiniboine river, in full flow, was carrying 20,000 cubic feet of water per second. There was a break-through on the south side about 1,000 feet in width. Through that break-through, at its full flow, one-quarter of the river was passing, going down to the south and east over those high-class farm lands in that area.

That is the picture we saw out there. Just how those men have been able to do the amount of work that has been done on those dikes in order to try to protect them is something I do not know. I am surprised that we did not hear of more people suffering heart attacks, exhaustion or something of that nature. That tremendous job was done, and it was done mostly on a voluntary basis.

I should like to say a word or two about the history of this river. It has been classed

as a navigable stream, and it is also an interprovincial stream. Until now, so far as any protective works along it are concerned, that has been considered a federal responsibility. Flooding has not been uncommon on this river. As a matter of fact, as far back as 1916 efforts were made to provide a certain amount of protective work against flooding. It was then done under the department of the interior, and for a while under the federal Department of Public Works. The records show that some $300,000 was spent on protective works in the lower reaches of this river between 1923 and 1950. Since that time I have persuaded the Minister of Agriculture to take this river under the jurisdiction of his department, and the repair work since then has been done under the Prairie Farm Rehabilitation Act. Since that time about $55,000 a year has been expended on protective works.

Mr. Churchill: Did it take your persuasion to get him to act?

Mr. Weir: No, he was very glad to do so in that he looked upon it as a reclamation job that the prairie farm rehabilitation organization was well able to undertake. I need not tell my friends from Manitoba that in its lower reaches this river is about as crooked as anything one can imagine; that the soil is of an alluvial character which erodes very easily, and as a consequence, because of these crooks in the river, there is continual erosion leaving it open to overflowing its banks at any low places. That is the problem that has so far been faced in an attempt to prevent the river from overflowing its banks.

May I say also that major floods have been reported on this river in the past. I am told that the most serious floods in the recollection of the present generation occurred back in 1922 and 1923. But I know, as do others who settled there, that there has been serious flooding in the interval. As a matter of fact, in recent times a flood or the danger of a flood has occurred about every second or third year. The problem has therefore become one of major concern. I repeat that this affects the best land in Canada, namely, the lower reaches of the Portage plain. The matter of water control in our province is a critical one in that we are perhaps the lower part of the run-off region from such a large area both to the south and to the west. It is one of the problems that our province has continually been facing. Steps have been taken to try to effect a remedy, but I am afraid something more will have to be done.

Hon. members will recall the flood of 1950 at Winnipeg. Immediately thereafter a survey commission was set up to see if they could establish some means of protecting this flooded area. The report of the commission was published in 1952 and is known as the conservation and flood control report on the Assiniboine river. I commend the reading of the report to hon. members. It is one of the most readable, practical and scientific reports I have had the experience of reading and is most understandable from a layman's point of view at least. I am going to take the liberty this afternoon, for the benefit of those outside the province of Manitoba who may not be too familiar with the circumstances in our province, of referring to certain parts of the report. First of all I refer to a paragraph on the introductory page which is in the following words:

> The following study of the Assiniboine basin problems has been preceded over the past 60 years by various other studies carried out by different agencies. During 1886 an examination of the Assiniboine river was made by the Department of Public Works of Canada with a view to ascertaining the cause of annual floods. As far back as 1920, a scheme was evolved whereby a canal was to be dug from the Assiniboine river somewhere near Portage la Prairie to lake Manitoba. After the floods of 1922 and 1923, the federal departments of public works and of interior undertook various investigations. Their reports concluded that control of floods was possible only by a combination of detaining a portion of the flood waters in the upper reaches of the river and the construction of dikes. The only construction carried out, however, was the building of dikes between Portage and Winnipeg.

I also wish to refer to another part of the introductory section of the report and read a paragraph at page 7 having something to do with the creation of the problem that now exists. It reads:

> At the end of the glacial period the topography of the Assiniboine basin was very similar to what it is at the present time, but the water conditions were entirely different. The receding glaciers released tremendous quantities of water, and at the same time blocking off the drainage to the north. A glacial lake stood at the foot of the ice fields extending southward until it found an outlet along the present course of the Minnesota river, thus draining off into the Mississippi basin. The Saskatchewan river was forced by the ice barrier to overflow at the Elbow into the Qu'Appelle valley. Thence the river took its course east, entering the Assiniboine river at the present site of Lazare. From there on the combined flow of the Saskatchewan, the Qu'Appelle and the Assiniboine rivers eroded a very wide and deep valley down to the glacial lake Agassiz.

I simply refer to that as indicating part of the early history of the developments that have taken place with respect to the entire drainage basin of the Assiniboine river. I want to refer now to a section having to do

with the conclusions in the introductory part of the report. This is what it says, as found at page 17:

> Most of the flood water of the Assiniboine river tends to come from the Riding mountain, Duck mountain and Nut mountain, as shown on figure 1. This part of the drainage basin is roughly 25 per cent of the total area of 59,000 square miles. There are no exceptionally high floods in the Assiniboine valley on record since 1900. The information about the extreme flood of 1882 is vague. From a statistical point of view it can be expected that flood peaks about twice as large as the ones of 1922 or 1923 will occur within a hundred year period.

I might say that in more recent times, perhaps owing to the removal of bush and the extension of drainage, flood possibilities have become much greater. That leads me to say something about what is the main purpose of my remarks this afternoon, having to do with the flooding conditions of the Assiniboine river. I should outline to the committee what the policy has been up to now. I said a while ago that this was looked upon as a navigable stream under the jurisdiction of the federal government. The policy that has been followed has been an effort to protect that area most subject to flooding by dikes along the lower places and by straightening out bends in the river by cutting through the crooks. It has not been entirely satisfactory but it has provided a large measure of control. No other step of a practical nature was seriously suggested until the report of this commission was submitted two years ago. I have heard others talk about other possibilities of providing protection, but from the engineering standpoint none of the suggestions has met with engineering approval. The report of the flood control commission that examined the whole problem, and to which I have referred, suggested three ways of providing protection. One was the building of a large storage reservoir at Russell. The second was to build a cut-off from the Assiniboine river, in the neighbourhood of Portage la Prairie, to lake Manitoba. The third was to continue the diking program on a much extended scale. There was also some consideration given to the possibilities of a further diversion near the vicinity of the city of Winnipeg.

No matter which one of these undertakings is considered each one of them is a costly undertaking, so costly that I doubt very much if it would be undertaken at the local level at all. So far as the cut-off to lake Manitoba is concerned, that would go through some of the most valuable land in the province of Manitoba. It would have to pass through a highway and two or three railway tracks. Having regard to the fact that lake Manitoba itself is about 3·5 feet above normal level, this project could hardly be entertained at this time unless there was some assurance that the level of lake Manitoba could be lowered in order to protect those who live along its shore line.

This brings me to the point where I have come to the conclusion, after living with this problem for 20 years, that a start should be made on providing for protective works upstream. As I review this report I believe the logical location for such a protective undertaking would be at Russell in Manitoba. This, too, is a very large undertaking but I do not believe we can neglect the fact that something of a permanent character should be undertaken. I am prepared to admit that even the building of a dam at an estimated cost two years ago of $6 million is not a guarantee of complete protection against flooding in the lower reaches of the Assiniboine river. But I do submit it would provide a measure of protection in most years of flooding, and on that ground I feel it should be given serious consideration.

The reservoir that would be built up behind this dam would, I might say, be largely in Saskatchewan and only partly in Manitoba. When the proposed dam is in place, it is estimated, the reservoir of water will stretch back into Saskatchewan for 50 miles and will be from one mile to two miles wide. It will contain about 450,000 acre feet of water.

Mr. Nicholson: Is that 50 miles from Russell or 50 miles into Saskatchewan?

Mr. Weir: It is 50 miles from Russell. The drainage area is estimated to be 7,600 square miles. According to this report the engineers have designed a reservoir which, at flood level, would contain approximately 600,000 acre feet of water. With the spillway operating and a normal water level, it would be 450,000 acre feet. The amount of water estimated to be ordinarily in storage is 350,000 acre feet. The surface area at flood level would be about 22,000 acres.

This is a major undertaking, and I am not suggesting to the minister it could be undertaken in his ordinary prairie farm rehabilitation estimates alone. It should be looked upon as a major project of interest to practically all of the northern half of Manitoba, and particularly the Assiniboine river valley. This proposition will have the advantage of protecting the city of Brandon, the city of Portage la Prairie and the R.C.A.F. station located there, as well as the flooded lands lower down against most of the flood conditions that have arisen in recent years. That is one feature of it. In addition to that the holding back of the water, and allowing it out gradually during the summer, would

also be of particular advantage to places like Brandon and Portage la Prairie for their water and sewage projects. I might add that now that the two airports at Portage la Prairie are going to be tied in with the city's water supply, it is of considerable interest to them as well.

I am suggesting this afternoon that while this is a costly undertaking, it is nonetheless a means of making a start in relieving the flood condition that recurs with all too great frequency on the Assiniboine river. I am not unmindful of what is involved in this undertaking. I go farther and say to the house that one of the problems today is not the cost of building the dam itself but the cost of removing or changing the location of existing public utilities and things of that nature. According to the engineers' report the actual cost of the dam is not too unreasonable, but the project involves as well the moving of a railway, the raising of three roads, the building of several bridges and the purchase of the land.

Now, that may seem like a big undertaking; but, having regard to the land that is flooded in the lower reaches and knocked out of production, I think something of this nature has to be considered. It may well be that the cost feature of it will shock some people. However, according to this report the cost, as compared to similar undertakings in the United States, is not unreasonable. The per acre cost of this undertaking is estimated at $15 per acre foot of water. The average weighted cost of 168 flood control projects in the United States according to this report, based on the 1952 price index, is estimated to be $60 per acre foot of water storage. On that basis, by comparison with other undertakings that have been proceeded with, the cost of this project is not excessive.

This afternoon, Mr. Chairman, I am urging the construction of this dam at Russell. I believe it would be beneficial, particularly in dry periods, in retaining a supply of water in the upper reaches of the river in Saskatchewan. It will provide also a large measure of control against flooding and will supply a more normal flow of water during low water periods on the Assiniboine river, all the way from the dam to the city of Winnipeg, helping the water supplies of those places along the way.

It of course takes time for undertakings of this nature to be accepted. I know that there will be a good deal of concern expressed by people in the area that is likely to be flooded, if this project is proceeded with. However, I am happy to say that there is an organization known as the Assiniboine river control organization set up to press this particular matter of the flooding of the Assiniboine river. It has held two or three meetings. I have before me a report of the discussions that took place at their last annual meeting held only a few weeks ago. I might say that this meeting was representative of the reeves and councillors of most of the municipalities along the Assiniboine. I find in reading the report a very general recognition of the problem and an indication of willingness to co-operate, provided of course that those whose properties might be taken over or subject to damage would be compensated. That is the general tenor of the report. I was going to read certain sections of it, but I do not think I need to do so, more than to quote one or two observations:

> Mr. Lacroix of Cartier municipality said this: "I believe we need the dam, but we do need some dikes as well and some straightening of the river, in order that dikes will be of some permanent use. Some farmers have donated as much as 30 to 40 acres for diking purposes."

That brings me to another point in connection with the Assiniboine river. The department has been doing the work of diking and straightening the river, and providing money for that purpose; but the land has been provided either by the farmers or by the municipalities. In some cases this land has not been forthcoming; and in certain places where dikes should have been built the farmers were not prepared to give the land, or even to sell it, to the municipality.

I am suggesting to the minister therefore that, having regard to the vote already in the estimates, consideration should be given to exercising expropriation proceedings or something of that nature to acquire this land for the dikes and cut-offs, and pay for it out of this vote, so that a logical and more reasonable process of diking and straightening the river could be undertaken. That has appealed to me as reasonable; and I think the farmers in the area have donated about all the land they can be expected to donate.

I was going to make one reference to the flood, and at this point I should like to hand two pictures to the minister. The first I would hand him is a picture showing the flooding of the Assiniboine river where it crosses the highway between Elie and Oakville. The second picture is one of the places I saw myself. It is at the break where the Assiniboine broke through the dikes and is now going across country. I said that a quarter of the river was going through this break. However, that amount is lessening at the moment, and the last information I had was

that the flow was down to about 1,000 cubic feet per second. Men were starting out to plug that hole. I would give a picture of this to the minister, as an indication of the location of the break, as well as its extent. The land below that point is flooded.

My reference now will be to the Prairie Farm Assistance Act, which admittedly has not been too popular in Manitoba. There have been many complaints about its application, on the ground that it does not meet our circumstances as satisfactorily as some feel it should. The hon. member for Acadia has just referred to crop insurance. Well, we do not have a scheme of crop insurance in operation up to now; but in this area, in the coming summer, the land will be flooded and no crop will be seeded. As a consequence there will be no basis upon which to establish the seeded acreage as a basis for prairie farm assistance. The area will be large; certainly in Manitoba it will be more than two townships.

I am wondering if the minister would entertain or could work out some amendment or some change in the application of the Prairie Farm Assistance Act whereby, in large flooded areas such as we have in Manitoba, these flooded areas could be made eligible for prairie farm assistance payments. Their circumstances are certainly as critical as those who are in the dried out areas; yet, because of the application of the act, they cannot qualify technically for assistance because they are unable to seed. I am suggesting therefore that, with these abnormal conditions developing, perhaps a measure of relief could be provided under the Prairie Farm Assistance Act, whereby large areas—townships or half townships—might be included as those entitled to assistance under the act.

I know I have talked on only one subject, but I did so because it is of special interest to Manitoba, including Winnipeg; and naturally it is of particular interest to my own constituency. I think my suggestion, that of building a reservoir at Russell, Manitoba, is a sound one, and I hope that it will be entertained favourably. It would be of advantage not only as a conservation project but also to prevent flooding. It would at the same time provide an added supply of water to places at points lower downstream during periods of dry weather.

I submit this in all earnestness as a first practical and reasonable approach to the flooding conditions in the Assiniboine river.

Mr. Gardiner: Mr. Chairman, if I might speak for a moment—and I will not be more than that—I would point out that, of course, the report referred to, which I have here, is one which was issued as the result of an investigation we ordered some time ago. That is, it had to be agreed to and ordered by myself as minister. It has been carried out by P.F.R.A. engineers. The matter has been under consideration, and will continue to be under consideration.

I am not in a position at the moment to say whether it will be proceeded with. The very amount which is involved indicates that it could not be proceeded with under the votes we have had for P.F.R.A. If it were going to be considered at all it would have to be considered under what have been known generally as a vote for large projects, to which my hon. friend refers.

So far as the Prairie Farm Assistance Act is concerned, let me say that we have been giving consideration to possible amendments. There are difficulties in connection with amending P.F.A.A. to take care of some of the difficulties the farmers have. Nevertheless we have been looking at it and attempting to work out something which would be satisfactory, and we will continue to do so.

The Deputy Chairman: It being five o'clock, the house will proceed to the consideration of private and public bills.

Progress reported.

The Acting Speaker (Mr. Applewhaite): There being no business under public and private bills, the house will resume the business interrupted at five o'clock.

SUPPLY

The house in committee of supply, Mr. Applewhaite in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration (including advisory committee on agricultural services), $496,998.

Mr. Thatcher: Mr. Chairman, most hon. members who have spoken so far in this debate have suggested that the minister should spend more money for one purpose or another. I am going to suggest that he should spend less on one item. I wish to comment briefly this afternoon on the Canadian butter situation. I realize quite well that probably few members will agree with my views, but one of the advantages of sitting in the independent corner, sir, is that I embarrass no one but myself.

I am going to maintain this afternoon that the government's present butter policy is shortsighted and economically unwise. Not only is this policy costing the taxpayers several millions of dollars; I submit it is also resulting in thousands and thousands of Canadians, who otherwise would be eating butter,

switching to margarine and similar substitutes. As a result, the butter industry today is in a serious predicament. The government has set the floor price at an unrealistic level if butter is to compete with substitutes.

There has been a steady piling up of storage butter over the past several years. According to figures which I obtained from the minister's department, on May 1, 1952, the government had in storage approximately 17 million pounds of butter; on May 1, 1953, this surplus had increased to approximately 27 million pounds; on May 1, 1954, the amount on hand was 33 million pounds; and as at May 1 of this year the figure had reached the record high of over 50 million pounds.

Butter is a perishable product and if you keep it on hand too long it is likely to go bad. That is precisely what I fear may happen, if our surplus continues to increase. If this butter should go bad, then the taxpayers will be given a bill for additional millions of dollars. In view of this fact, it seems to me that parliament should re-examine our whole floor price policy in connection with butter which the government inaugurated a short time ago.

I realize that the minister has been concerned about the problem. In an effort to do something about it, last February he introduced a program of selling butter to hospitals, orphanages, et cetera, at a discount of about 21 cents per pound. After four months of trial, it is pretty obvious that this scheme has not been too successful, because according to a return tabled in the house, page 3656 of *Hansard* of May 11, only 932,523 pounds had been sold up to May 6. That would indicate to me that this scheme has not been too successful. Month after month our butter surplus continues to increase. Probably a great part of this butter sold to institutions would have been sold anyway.

Mr. Gardiner: Just to put the latest figure on the record, as of May 27 the figure was 1,299,611 pounds, which I agree is not as high as I had hoped it would be.

Mr. Thatcher: That is a slight improvement, but when you compare it with the total amount of butter in storage it is pretty small. Last week the minister announced another step in an effort to get rid of some of our butter surplus. He said that the government would sell storage butter at 56 cents a pound. Of course this means that the taxpayer will have to absorb the difference. I do not think that this step will solve the problem any more than the first effort.

Mr. Gardiner: This is just a repetition of what we did last year and the year before for a period at the beginning and it will be cut off some time later.

Mr. Thatcher: I agree, and that is why I say that such action is not going to be any more successful this year than it was in 1954 in disposing of our surplus. I do not need to tell the minister that the surplus at the end of the period during which this step was in effect was infinitely greater than it was at the beginning.

It seems to me that if we are going to get rid of our butter surplus, some additional step will have to be taken. I may be alone in the house in taking such an attitude, but I think that the basic trouble with our butter policy at the moment is that the 58 cent floor price is too high. It is too high for the good of the consumer, it is too high for the good of the taxpayer, and it is too high for the good of the producer.

An hon. Member: You are sure alone.

Mr. Thatcher: I know that originally the 58 cent floor price was introduced by the government in good faith, in an effort to help the producer, and in an effort to stabilize the dairy industry. Yet I contend that the legislation is having the opposite effect. As I stated a moment ago, about all that this subsidy has done is to force thousands and thousands of Canadians, who otherwise would probably be eating butter, into eating margarine and similar substitutes.

The statistics will bear out that fact and I should like to quote some from the dominion bureau of statistics. These show that in 1953 the per capita consumption of butter was 20·88 pounds, while in 1954 it had dropped to 20·69 pounds. In the same period the per capita consumption of margarine jumped from 7·45 pounds in 1953 to 7·61 pounds in 1954. As I see it, the Canadian butter producer is gradually losing his share of the Canadian market because of this artificial floor price.

Mr. McCullough (Moose Mountain): Would the hon. member put on the record the cost of producing this butter?

Mr. Thatcher: I must tell the hon. member for Moose Mountain that I cannot put that cost on the record, but I could find it very easily, as could he. I will be ready to help him look it up later on if he wishes to.

What about the export market for butter? The export market for Canadian butter has completely disappeared. The reason is fairly obvious. It has disappeared because the world market price is about one-third lower

than the Canadian price. For instance, New Zealand today is laying down butter in Great Britain at under 40 cents a pound. Now, if the minister or the government should decide to try to get rid of our surplus butter by exporting it, the taxpayer is going to be called on for a very huge subsidy. If we sold 50 million or 60 million pounds at a competitive world price in the export market to dispose of our surplus, it might cost the taxpayer anywhere from $10 million up.

Mr. Gardiner: Mr. Chairman, I should like to say this in order not to scare the taxpayer too much. There is no possibility of selling 50 million or 60 million pounds of butter out of Canada without running our own people short.

Mr. Thatcher: I should like to tell the minister that sooner or later he is going to have to take some action to get rid of his surplus butter. He does not want it to spoil on his hands. Each month that goes by, the surplus is getting larger as compared with the same period a year ago.

Mr. Gardiner: Mr. Chairman, if I may be permitted, I should like to say that the hon. gentleman was just criticizing the method by which that has been done for the last two years. We know that, if we were still holding 1953 butter, it might go bad, but we do not have any. We sold our older butter at 56 cents and got new butter in to replace it. That is the plan, under which we do know butter could not be spoiled.

Mr. Thatcher: I wish to sum up the present situation as I see it, rightly or wrongly. The Canadian butter producer has lost his export markets. Each month that goes by, he is being squeezed out of the domestic market. What should be done? The present government program has been costly to the taxpayer. I would not object to that, if it were actually helping the producer but, as I say, I am convinced that it has not. I think that both the government and the dairy industry must face certain hard, harsh economic facts. If the producer wishes to regain his share of the Canadian market, he is going to have to bring his prices down to a competitive level. I cannot see any other way around it. I believe in reasonable floor prices for agricultural products—but note that I say "reasonable". As far as butter is concerned, there is a complicating factor because of the substitutes which exist. The only way that this government can eventually deal with our mounting surpluses is to reduce floor prices by four or five cents a pound, to a point where they will be more competitive with margarine. I would remind you, Mr. Chairman, and the house, that a year ago President Eisenhower took precisely such action in the United States. He reduced the floor price of butter by a few cents, and immediately consumption increased by 7 per cent. So I say to you that this parliament should give serious consideration to revising our floor price structure on butter. I would say, by all means keep a floor price, but make that floor price more realistic.

Mr. Bryce: Mr. Chairman, in rising to speak on the minister's estimates, I wish to bring up again a subject I have brought up already. It is the most important subject in my constituency, as far as agriculture is concerned.

The hon. member for Portage-Neepawa has made it much easier for me because he has dealt with the flood situation in his constituency. I know what his problem is, because part of his constituency used to be mine. Now I have a worse situation than I ever had before, because we do not have good roads by means of which we can build dikes. The two lakes that enclose the interlake country are 4·7 feet above normal, and everything is flooded. Take the Fisher Branch, Broad Valley, Eriksdale, Riverton, and the St. Martin districts. There is just one lake running into another. The people in these districts had Selkirk wheat to sow, but they have given up the hope now because it is too late to sow it, and they will not be able to sow any crop. It is to be hoped that in July they may get some grain feed in.

The minister knows my problem because I have talked it over with him at different times, and I am hopeful he will be able to do something for these farmers. I do not know what the solution is. I do not know how much money the government can spend on it, but certainly something will have to be done to keep these people alive, so that we do not lose them. They had practically no crop last year, and they have not been able to sow anything this year. I tried to make some calls there at Eastertime, and I had to be pulled out with a tractor four times on the main road. With conditions like that, it is so hard to know what to do. The hay lines are flooded with water. The cows are going along picking branches and they are getting sore feet from walking through the water. Some of the people have put away their herds and have just kept some foundation. I do not know whether the suggestion made by the hon. member for Portage-Neepawa would help, that we might take flooded areas into consideration, as the P.F.A.A. only applies to crop land at the present time, or to crop that has been destroyed. It would help some. I do not know why the provincial government in

Manitoba has not made a survey and got in touch with the federal government on this matter, because it is so serious. I know that the minister is doing some work in conjunction with the provincial government, but I believe it is going to extend over five years. This is something that needs immediate attention. I can go on repeating myself about the terrible conditions of the people in the interlake country, but I do not know that it would do any good. I have made representations to the minister and I have brought it to the attention of other people. Relief of some kind will have to be given to these people. They cannot just lift up and go away. Some of the men folk may go away, but it is hard for these men folk to get jobs in the city of Winnipeg; jobs are not too plentiful there.

The hon. member for Acadia talked about crop insurance. That is all right, but even crop insurance at this time would not help the people in the interlake area. The Minister of Agriculture should have a survey made to see the deplorable conditions these people are in and see if something could be done for them. I could elaborate on this and tell you stories and read letters from the district, but I want you to take my word for it that there is nothing political about this. It would not matter who was representing the constituency of Selkirk; they would run up against the same problem. I appeal to the government most urgently to try to do something for these poor people. Some of them certainly can get by, but a big percentage of them will not be able to get through. I appeal to the minister and ask him to appeal in turn to the treasury benches to try to do something for these poor folks.

Mr. Charlton: Mr. Chairman, on the first item of the department it is usual to have a general discussion on agricultural problems. This afternoon we have heard a considerable amount about flood conditions in Manitoba and we sympathize with the people affected. I first want to congratulate the hon. member for Middlesex East on his speech last night. If he considered that he was pinch-hitting for anyone, may I say that I am sure he did not need to apologize; he scored many hits.

I want to say a word with regard to this flooding situation. I want to reiterate what the hon. member for Middlesex East said last night, namely that we have never in any way criticized any of the grants or assistance given to the western farmer such as that under P.F.R.A. or P.F.A.A. But in the case of Ontario last fall as the result of "Hurricane Hazel" our losses were simply terrific. Millions and millions of dollars were lost in crops that were never harvested. Corn along the Grand river that could not be harvested was a complete loss. Yet those farmers did not receive one nickel for that loss. It is true that the vegetable growers received some remuneration through the Hurricane Hazel relief fund which was mainly taken up by a collection of people in Ontario who realized the seriousness of the situation and gave freely of their own funds to help those people out. Certainly we received a grant from the dominion government of $1 million but that was probably about one-tenth of the loss that was sustained and for which moneys were paid out.

Mr. Blackmore: May I ask the hon. member a question?

Mr. Charlton: Yes.

Mr. Blackmore: I am quite interested in this matter. I was interested in that whole "Hurricane Hazel" matter. I wonder whether the Ontario people asked for more than the $1 million. Did they ask for a considerable sum and find it refused?

Mr. Charlton: All the Ontario people asked for was a fair and reasonable amount of money to be given to them in this case of a national disaster.

Mr. Blackmore: Who decided on the $1 million?

Mr. Charlton: The dominion government decided on it, apparently. This government here decided on that amount to be given to those people. But the damage was not only the result of "Hurricane Hazel"; it was the result of flooding caused by the extreme amount of rainfall which amounted in some districts to eight inches or nine inches over a period of 24 hours.

Again, Mr. Chairman, I want to say something about the planning of the debates in this House of Commons in relation to the sittings of the committee on agriculture and colonization. Here we are this afternoon debating the estimates of the Department of Agriculture—

Mr. Weir: Where were you yesterday?

Mr. Charlton: I would ask the hon. member where he is leaving for tonight that he had to be in such a rush getting his speech off. I will tell you where I was yesterday. I was attending a farmers' picnic in Haldimand county at which the lieutenant governor of the province of Ontario was a guest of honour and guest speaker. It was my honour and privilege to be in attendance at that picnic and to show my respect for the lieutenant governor of Ontario. Are there any other questions?

Mr. Weir: Do not complain about not being here when the agricultural estimates are under discussion.

Mr. Charlton: The agriculture estimates were not under consideration yesterday. I am complaining about discussion of the agriculture estimates being held at the same time as the meetings of the committee on agriculture. I have complained about that matter several times but apparently it does not seem to do a particle of good. As I have said previously in the House of Commons and in the committee, the bill that was standing on the order paper from January 11 was called in the house on the very first day that the meeting of the committee on agriculture was called. That is just a sample of the planning of the business of this House of Commons that is carried on by this government.

Mr. Gardiner: On two previous occasions I tried to answer that complaint and my hon. friend interrupted me in the middle of it, with the result that I did not get back to it. I do not know why he rises now and states it all over again. It has no relationship to these estimates. The Department of Agriculture has not referred anything to the committee on agriculture. The committee on agriculture is sitting to consider a matter that was brought before it by the Department of Trade and Commerce. I have attended the committee on agriculture for only about 15 minutes during all the time they have been sitting. It has nothing to do with this department whatsoever.

Mr. Charlton: If the minister thinks he answered that complaint before, may I say that I did not hear his explanation.

Mr. Gardiner: I did not make it before because you did not let me make it.

Mr. Charlton: I did not interrupt the minister when he was making his speech. I have never interrupted the minister in any speech he has ever made in the House of Commons.

Mr. Gardiner: No. My hon. friend rose and asked me a question that got me off on something else and I did not get back to it.

Mr. Charlton: Mr. Chairman, I am making a statement of fact and I do not think the minister can refute that fact. Whether it is under the Department of Trade and Commerce or not, it has to do with agricultural matters. Regardless of whether or not he thinks it is under a different department, it has to do with agricultural matters.

Mr. Gardiner: I have refuted the inference you are drawing. I am not refuting the facts you stated.

[Mr. Charlton.]

Some hon. Members: Order.

Mr. Charlton: It still has to do with agricultural matters. It is dealing mainly with western agriculture or dealing with wheat. It is true it has to do with the matter of feed problems here in the east and we did discuss that matter to some extent. But I am still critical of his government for having had an occasion arise when the committee on agriculture was meeting at the same time and was called on the same day as one bill that had been standing on the order paper from January 11 was brought forward in the house. That is all I am going to say on that matter, but I think it is an example of extremely poor planning on the part of this government to let that be the fact.

With regard to the farmers' position today, I want to go back a little bit in history because apparently there is a good deal of confusion among people in urban areas as to farm thinking. I regret to say it but there are few people living in large cities in this country or in the United States who understand the farm psychology. They say that the farmer beefs a lot. They criticize him for getting money handed to him by way of subsidies and that sort of thing. But they do not understand what that farmer puts up with. They do not understand his way of life.

Years and years ago the farmer was in fact self-sufficient. He did not need to worry very much about what happened in the cities. He grew his own food. He made his own clothes. He made his own implements, as it were. He even made his own bullets with which to shoot the food he ate or part of it. But as time went along that condition changed. It changed considerably with the advent of an increased population in the country. One hundred years ago probably 90 per cent of the people in this country were on farms and depended on farms for a living, and the agricultural income was in proportion to the number of people getting their living from the farm. At that time the consumer in the city realized where his food came from. In most cases he dealt directly with the man who grew the food. He bought his potatoes, his fruit and his vegetables from the farmer himself. Today the farmer's position has changed in that he is no longer self-sufficient. He requires fuel to use in his tractor. He no longer uses horses for which he grew the necessary fuel. He has to purchase fertilizers, and in many cases he has to purchase feed. Therefore the farmer has placed himself in the position of being a consumer of a great many goods.

But the consumer in the urban districts is also in a different position. He has lost his personal contact with the producer of his food. Many young people in our cities hardly know what a farm is or what a cow looks like. I would even go so far as to say that many young people in our cities today probably wonder what colour of cow chocolate milk comes from. As a matter of fact, I have been asked that question by young people. The consumer now goes to the chain store. He purchases his food in packages, and very attractive packages they are. There is no definite link between the consumer and the man who produces the food. It is more or less an automatic process and I regret to say that many people in our cities take food for granted. There is good reason for that. Never in the history of the country has anybody ever gone hungry because of a scarcity of food. There has always been plenty, and often there have been surpluses. I regret to say, for that very reason many people take food for granted.

In his opening remarks the other night the minister made some statements about prices. I want to quote a paragraph from his speech to be found at the bottom of page 4210 of *Hansard* of May 27. He said:

> The Canadian Federation of Agriculture statement points out that prices of farm products have fallen further in North America than in other countries of the world. This is quite true, but prices in general after the drop are higher in North America than in other countries of the world, all of which indicates that since the war farmers in North America have had the highest prices in the world.

I should also like to quote one sentence from the middle of a paragraph on the next page, and I do not think it is unfair to quote only the one sentence. The minister said:

> The shrinkage of foreign markets, however, came about partly because there has been a higher price level here than elsewhere.

In the one case the minister says that our farm prices are the highest in the world, which is true, but later he qualifies that statement by saying that the shrinkage of foreign markets came about partly because there has been a higher price level here than elsewhere. Certainly the only thing that actually counts is the net income the farmer receives. As found on page 4212, the minister said:

> No sound conclusion can be reached by comparing anything related to production or returns from farming, by comparing one year with the one before it or the one immediately after it.

Then the minister went on to say that the prices in any four-year period since the Liberals have formed the government have been higher than they ever were in the period from 1931 to 1934. We have heard that argument so often, Mr. Chairman. Does the government believe that the farmers of this country will accept that sort of statement? There was a world depression then and prices were down, but later in my speech I hope to show by figures that the situation in proportion to other prices was not as bad then as the government would like to lead people to believe.

Net farm income for 1954 was down by something like 48 per cent. In 1951 net farm income was $2,154 million, and in 1954 it was $1,125 million. The minister says that, taking the average of the last four years, prices have been better than they ever were before. I have here the April, 1955, issue of the *Economic Annalist*, and I want to give a few figures from this publication. Taking the period from 1935 to 1939 as representing 100, the average figure for farm prices for the five-year period from 1943 to 1947 is 188·9 while the figure for January, 1955, is 221·2. These figures are for farm prices of agricultural products.

Let us now take the composite index of commodity prices. The average of those prices for the same five-year period, 1943 to 1947, was 154·2, and by January, 1955, the figure had increased to 231·7. What is interesting is the difference between the figures representing the five-year average from 1943 to 1947 inclusive and the figures for January, 1955. As far as farm prices are concerned, there has been an increase of 17 per cent between the average for the years 1943 to 1947 and the figure as at January, 1955. There is an increase of 17 per cent.

Mr. Blackmore: In which direction?

Mr. Charlton: Up. I said "increase". As far as commodity prices are concerned, prices for the things the farmer has to buy, there has been an increase from 154·2 to 231·7, an increase of 77·5 or practically 50 per cent. There, Mr. Chairman, is your answer.

Mr. Gardiner: Is the last one a five-year average too?

Mr. Charlton: No, of course the last one is not. I said I took the figure for January, 1955.

Mr. Gardiner: That just proves what I said is correct. It does not get you anywhere to compare five years with one day.

Mr. Charlton: There is never any use in placing figures on *Hansard* as far as the Minister of Agriculture is concerned.

Mr. Gardiner: Not that kind of figure.

Mr. Charlton: He places his own figures on *Hansard* to show his own trend of thought, but anybody else's figures do not mean a thing.

Mr. Blackmore: You are doing well.

Mr. Charlton: I have taken these figures from the *Economic Annalist,* and I challenge the minister—

Mr. Gardiner: This is funny money.

Mr. Lennard: Yours is sometimes, you mean.

Mr. Charlton: The minister seems to be having a lot of fun. He does not bother me a bit, so let him have his fun. I say again, that is the answer to our problem today. The net income of the farmer is down 48 per cent, and that is the reason it is down. The prices of farm products have gone up only 17 per cent on an average over the five-year period 1943-47, while the commodities the farmer has to buy have gone up 50 per cent. The farmer's net income has been greatly decreased as is shown by these figures.

The minister went on to quote what the figures were back in the period 1931-34. This *Economic Annalist,* put out by the Department of Agriculture, does not include comparable figures for those years, so I have no way of proving anything by quoting figures from this pamphlet. In the column relating to farm prices of agricultural products there is, however, another item here, the general wholesale index for 1931-34. This index varies from 94 down to 86·9. I remind hon. members that these figures are all quoted on the basis of 1935-39 equalling 100. Then the composite index of commodities and services used by farmers for the period 1931-34, as compared with the high of 94 and the low of 86·9 for the general wholesale index, goes from a low of 89·8 to a high of 100·9. There is not as much difference there, Mr. Chairman, in the 1931-34 period as there is now in this 1955 period.

I should like to quote a paragraph from the minister's statement in *Hansard* of May 27, 1955, page 4212. He said:

> I have before me a table which shows that, taking the average price on farm products for the 4 years before we came into office as the beginning, there has been an increase every 4 years since, until now the price on all cereals is from 2½ to 3 times as high from 1951 to 1954 as in 1931 to 1934.

Just imagine, 2½ times to 3 times as much.

> The price on hogs is over 3 times as high, and the price on cattle over 4 times as high. The price on butter is 2½ times as high, the price on cheese 3 times as high and the price on eggs almost twice as high.

Now, is that not something to be proud of? The minister compared the average prices in 1931-34 with the average prices in 1951-54, after we have had a war, and conditions have changed so much. Our economy has entirely changed, and our dollar is worth just half as much, and yet the minister insists on comparing these two periods.

I put a table on *Hansard* of March 15 that appears at page 2066. This table showed quite clearly that there never has been a year in the history of this country when an hour's wages would buy so much food. That, Mr. Chairman, is the answer to the farmers' problem and the answer to many other problems across this country, especially the unemployment problem. If any other industry or any other class of people were asked to take a 48 per cent net decrease in income in the last four years, I wonder what would happen. But the farmer, has taken a 48 per cent decrease in net income, and people wonder why there is unemployment in this country. The implement manufacturers are practically closed down because they cannot sell their implements. The farmers have not the dollars to buy these implements. Yet, the minister gets up and says they are better off than they ever were before.

Mr. Gardiner: May I ask my hon. friend how long this government would stay in office if we put conditions back to what they were from 1931 to 1935? We would go out as fast as your party went out.

Mr. Charlton: It was a Liberal government that put them there in the first place, because that depression started long before 1930 and the minister knows it very well.

Mr. Gardiner: Why did you not say that from the start instead of arguing the other way?

Mr. Charlton: I have listened to the minister now for quite a number of years and I am getting used to him. As a matter of fact, I do not pay too much attention to what he says on many occasions.

Mr. Gardiner: Some people do.

Mr. Charlton: But that is a fact; it is here in *Hansard.* The minister says that farmers are better off now than they ever were. I am just going to leave it to the farmers themselves to say whether or not they are better off than they ever were. They will probably say it in another way at the next election.

Mr. Gardiner: You have been making that prophecy ever since you came here.

Mr. Charlton: Sometimes it takes quite a while for things to seep in, you know, but the farmers are getting just about as fed up as I have ever seen them. I think probably the minister knows that very well.

Mr. Lennard: That is why he is on edge.

Mr. Gardiner: I am not on edge.

Mr. Charlton: We hear a great deal, Mr. Chairman, about the subsidies paid to farmers. This afternoon we listened to a speech by the hon. member for Moose Jaw-Lake Centre. He has his own ideas, and he is entitled to them. I am sorry he is not in the house now but I do want to say to him that, although I cannot quote the exact figure for the subsidy on butter, the amount is infinitesimal. The amount that subsidy costs the taxpayers of this country is infinitesimal. I must be fair, however, and say that the farmers of the country do appreciate the fact the government kept the floor price at 58 cents. The government showed very good judgment in doing so. They knew what would happen under the circumstances if they had lowered that floor price, on top of the importation of 2·25 million pounds of New Zealand cheese. The farmers of this country were up in arms just a little farther than I have ever seen them in my life before as a result of that importation. As I say, I have to be fair to the minister, and the farmers do appreciate the maintenance of that floor price.

It has been suggested that the farmers should be able to compete in the free market of the world and left to themselves to go along in the best way they can, without any support prices and without any floor prices. I will say that in most things the hon. member for Moose Jaw-Lake Centre is consistent, although I wonder if he would like to see everything thrown wide open. I think the farmers of this country would take their chance if that were the case, but when one industry has protection they believe they are entitled to some protection at least.

It was stated also that the floor price did not help the producer. I cannot conceive of anyone making that statement. I will say this, Mr. Chairman, that the maintenance of the floor price on butter helps the consumer just as much as it does the producer. It stops these great fluctuations in price. I will say that during the period from 1947 to 1953 inclusive the total subsidies paid to agriculture, including the subsidy of $69 million paid out for losses as a result of foot-and-mouth disease, amounted to less than 15 cents per capita per year.

It is true that in 1952 there was an increase in the price of butter. It was unnecessary, and of course it stayed up for only a day or so, because when it was found that stocks were not as low as some people had led us to believe, the price broke. I think it dropped as much as 17 or 18 cents in one day.

I wish to point out that by maintaining the floor price on butter the consumers of this country are assured that they will not have to pay an extremely high price for their butter in the wintertime, even though they might get it at a low price in the summer. The cost of the subsidy has been saved many times over through the maintenance of stability and farmer purchasing power.

A number of years ago the farmers of this country were promised that if they would accept lower prices during the war they would receive a square deal after the war was over. Let me quote what was said in this connection in a radio broadcast by the former prime minister, Mr. Mackenzie King, on December 4, 1943, he said:

> If, to help win the war, the farmers are asked to accept a ceiling on prices, we believe they are entitled to a floor under prices to insure them against an agricultural depression after the war.

The farmers were also promised that markets in Great Britain would be retained if they accepted lower than the world price during the war. But what happened? Practically all those markets were lost. I mentioned a moment ago that subsidies have been criticized from many quarters.

I should like to put on the record some figures concerning other subsidies—and these are not paid to farmers. I have before me the answer to a question appearing in *Hansard* of May 4. On that date the hon. member for Jasper-Edson asked the following question:

> What was the total amount paid in price support of gold mining industry in 1954?

To that question the Minister of Mines and Technical Surveys replied:

> Assistance paid by the Department of Mines and Technical Surveys during the calendar year 1954 amounted to $14,879,334.33.

Strangely enough immediately following this question was another asked, again, by the hon. member for Jasper-Edson. His second question was:

> What was the total amount paid for price support on all farm commodities in 1954?

The parliamentary assistant to the Minister of Agriculture replied as follows:

> The estimated net cost of operations of the agricultural prices support board during the 1954-55 fiscal year ending March 31, 1955, is $3,210,928.

In other words about four and a half times as much was paid by way of subsidies to the gold mining industry in this country, which employs approximately 25,000, as was paid to agriculture in which 660,000 are employed. I place these figures on record at this time to point out to the people of Canada that farmers are not the only ones who are receiving subsidies. It is costing the taxpayers of this country very little for the help being given to the farmers. As I said before it amounted to 15 cents per capita per year over a six-year period.

It is claimed that prices are high. I said a few moments ago that there never has

been a year in the history of this country when an hour's wages would buy so much food. Yet we hear many complaints about food prices. I have some figures here that I believe would be interesting. Milk is one product about which considerable complaint is heard. Yet one can have a quart of milk delivered to his door at a cost of 22 cents. However, if he goes to the store and buys a large bottle of ginger ale it will cost him 20 cents for the 30-ounce bottle, or at the rate of 26 cents for 40 ounces, or the equivalent quantity he would receive in the quart of milk. If he buys a small bottle of a soft drink he will pay 6 cents for 7½ or 8 ounces, or for 40 ounces he will pay at the rate of 30 cents. Then, if he buys a 12-ounce bottle of beer it will cost him 17 cents, or at the rate of 46 cents for 40 ounces.

When we compare the price of 22 cents for a quart of milk with 46 cents for the same quantity of beer, 30 cents for a soft drink, or 26 cents for ginger ale—and if he buys Coca-Cola it would be even more expensive —we see that the price of the milk is low in comparison. The farmers are not as well off as the minister would lead us to believe they are.

Mr. Gardiner: I did not say that at any time in my life. I never have said the farmers were well off.

Mr. Charlton: Perhaps the minister did not say so, but—

Mr. Gardiner: I am a farmer, myself, and I know.

Mr. Charlton: Then we will have to presume that they are not well off, and he is now admitting it.

Mr. Sinclair: Better off than they were under the Tories.

Mr. Charlton: The minister says that they are better off than they ever were before. The government has a long way to go to make it possible for the farmers to say that they are well off. And the minister admits that they are not well off.

Mr. Gardiner: They have been getting along so well as compared with the way they got along under other governments that they are content to keep us here.

Mr. Sinclair: There are no fishermen going to California, I can tell you that.

Mr. Charlton: I would like to put a few more figures on record.

Mr. Blackmore: Could we call it six o'clock?

Mr. Charlton: This will not take long. Out of 630,000 farms across Canada we find that 423,000 have no water supply piped into the house; 528,000 have no bathrooms or showers; 473,000 have neither flush nor chemical toilets; 275,000 have no electricity for lighting; 535,000 still use wood or coal for cooking and 427,000 have no refrigeration.

These figures show that 51·5 per cent have electricity, 17·5 per cent have hot and cold running water, 15·5 per cent have bathing and shower facilities and 21·9 per cent have refrigeration. I will let the people of Canada be the judge of whether the minister is correct in his statement that the farmers are better off than they ever were before.

Mr. Bryson: May I ask what we shall be discussing after eight o'clock?

Mr. Sinclair: We will continue with these estimates.

Mr. Gardiner: I think I ought to say to hon. members who asked me last night to try not to go on tonight that we have tried to make arrangements, which we could not, to have others do so. That was impossible for certain reasons, not all originating on this side of the house, and for that reason I will go on tonight.

Mr. Sinclair: In view of the social engagements which Saskatchewan members have, as acting leader it is my intention to ask for the adjournment of the house at a quarter to ten this evening so that they may attend the Saskatchewan functions.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Dumas: Mr. Chairman, I hope I may be permitted to tell the minister that during the recess tonight we were very much impressed by the group of young men and young women coming from his own province, carrying the banner of the Saskatchewan golden jubilee and representing the high schools of the prairie province.

Before six o'clock I was very sorry to hear the hon. member for Brant-Haldimand making a comparison between the subsidies paid by the federal government to the agricultural industry on one hand and those paid to the gold-mining industry on the other, for the simple reason that a great part of the gold subsidy is benefiting the farmers of northern Ontario and northern Quebec. I would be very much afraid to think of what would become of our farmers if the gold-mining industry was closed down. The gold subsidy is one way of helping the farmers, and there should be no suggestion of discontinuing it at this time.

I shall be brief in my remarks, Mr. Chairman. First I wish to congratulate the minister on his comprehensive statement on the general situation in Canadian agriculture at the present time.

I also wish to offer my sincere thanks to the officers and the technicians of the department for all they have done to help the farmers of our district. More particularly, I wish to say that the farmers of northwestern Quebec are grateful to the directors, the technicians and the other employees of the federal experimental farm of Kapuskasing and of the experimental substation of Macamic for their guidance, and the good advice and encouragement they have supplied in performing their duty. We are in great need of this kind of service and we hope that it will be accelerated.

Agriculture gradually becomes a basic industry in northwestern Quebec, more particularly within the clay belt which is eminently suited to the production of fodder plants, and consequently to stock farming, either for meat or for dairy products. Also, small-scale farming and gardening can be made profitable around the larger centres such as Rouyn-Noranda, Malartic, Val d'Or-Bourlamaque and Amos. In this respect, I would hope that the division of horticulture of Kapuskasing would conduct some experimental work in the growing and preparation for market of vegetables in those centres. There are a great number of small farms which are suitable for that kind of production, and their owners are in urgent need of guidance and encouragement. I will go as far as saying that an experimental station for that purpose would be a profitable investment.

As it is, in northwestern Quebec, the development of agriculture depends mostly on the mining industry. The latter injects a pecuniary serum, enabling the settler to live through the difficult years when he has to work on virgin soil which will bear fruits only after years of unceasing labour. The settler finds in the mining centres a ready market for his lumber and other farm products, and the mining industry provides work for him during the off-season. So, gradually, the settlement lot becomes a productive farm, and the settler a real farmer ready to take his rightful place in the community.

Now, the majority of our farmers are at a stage where they need more help, additional guidance and encouragement. They need help in connection with their livestock and in connection with the classification, storage and distribution of their products. Studies of these various problems are now being made by local organizations, but it is only with the help of duly qualified technicians, the guidance of good management, the encouragement of the business people of our district and the financial aid from both the federal and provincial governments that a program of such breadth can be carried out.

There are over 65,000 people in the cities and towns of northwestern Quebec. Carloads of such commodities as meat, vegetables, dairy products and poultry come from outside the district and are distributed by many merchants in the different localities. In such a situation we would think that the local products would find an outlet. We are aware of the fact, however, that a grocer cannot buy products that are not classified. Moreover, if he is not assured of a steady flow of products from the local farmers, he cannot buy from them. Our farmers need a distribution centre in which they can find facilities such as a slaughter house, cold storage and good management for the distribution of their products. These facilities are lacking at present, so the flow of products is not steady. This is partly due to a lack of guidance in distribution. Further progress could be made also by a livestock improvement program, jointly operated with a program for the development of grasses. This would enable the farmers of the district to continue the production of livestock on a more sustained basis.

Finally—and I have mentioned this before—so that the farming industry in northwestern Quebec may fulfil expectations, let us hope that a large-scale program of drainage will be undertaken with the co-operation of both federal and provincial governments in the whole of this part of the Pre-Cambrian clay belt, which is level with the farm lands. In addition to improving arable land, it would help reforestation and the development of large marshlands which are now absolutely useless.

The farmers of northwestern Quebec keep toiling to clear and improve their farms. The heavy work they took on from the beginning is now producing results. However, if we want the progress of the farmers of our district to be on a par with that of other industries, we will have to give a hand, we will have to help those who have worked so hard to clear the land and, finally, we will have to try to make it easier for the farmers to distribute their products. We know how steadfast our farmers are, and if we help them ever so little we may be sure that they will do their full share in the development and progress of that part of the country.

Mr. Dinsdale: Mr. Chairman, last week in the committee on broadcasting we were

privileged to hear representatives from the musicians union. The suggestion was put forward by that group that it might be a good idea if members of the House of Commons organized some sort of musical group in order to increase harmony in the chamber.

Mr. Gauthier (Portneuf): We have one on this side of the house.

Mr. Dinsdale: After hearing the excellent performance by the western young people during the supper recess, I am sure that we would all agree that the union representatives had a worth-while suggestion to make for members of the house. Already tonight I think the discussion on agricultural subjects is proceeding on a more harmonious note than before the commencement of the recess. In my contribution I hope to continue on that same level as far as is possible.

I was delighted this afternoon to hear the hon. member for Portage-Neepawa take up the cudgels in no uncertain terms in behalf of the proposed Russell reservoir. I say that I was delighted to hear him take this stand because hitherto the hon. member for Portage-Neepawa has rather inclined to the view that diking instead of the reservoir was the solution for the problem of flooding in the Manitoba area.

I have been interested in this subject ever since I came into the house. Each year since the report was prepared by P.F.R.A. on the problem of flooding on the Assiniboine river I have asked the Minister of Agriculture on the estimates when action might be contemplated on the basis of the report. Last year, unfortunately, the minister was not able to be in the chamber during the discussion of the estimates. I therefore presented the question to his parliamentary assistant who was acting on his behalf. As reported at page 6738 of *Hansard* for 1954, I put this question to the parliamentary assistant:

> Last year when I questioned the Minister of Agriculture on the matter he referred me to a report on conservation and flood control on the Assiniboine river that was prepared by the P.F.R.A. branch, and completed and published in December, 1952 . . . The report to which I have referred recommends two major projects in flood control and conservation in the Assiniboine basin. I refer to the Russell reservoir at Russell, Manitoba, and the Portage la Prairie diversion . . . As I indicated, the minister said last spring when we were considering the estimates that the matter was under consideration. As this condition has been developing from 1886, and has been under consideration since that time, I would hope this year that some specific information might be available as to what the department contemplates in regard to the recommendations of the report.

In reply to that question, Mr. Chairman, as reported at page 6750 I finally succeeded in getting from the parliamentary assistant, after I had queried him further, an answer as follows:

> I understand that was with respect to the survey made of the Assiniboine river. That survey was undertaken along with the Red river survey at a time when they had flood trouble in the Red river valley a few years ago. These few projects were undertaken together but what is going to take place with respect to the survey in which my hon. friend is interested, I am not in a position to say.

I repeat the question this evening, Mr. Chairman, because it is becoming quite obvious that the problem on the Assiniboine river requires urgent attention on the part of the federal administration in co-operation with the other government levels concerned.

The reason I think the emphasis is being placed on the effectiveness of the Russell reservoir project today is the formation of the Assiniboine river control association last fall. It was my privilege to attend the organization meeting of this group made up of representatives from all the municipalities adjoining the Assiniboine river. At that time they spent several hours considering the three alternatives that have been proposed in solving this problem, namely, the reservoir; second, continuation of the program of diking; and third, the Portage diversionary cut-off into lake Manitoba. Even as far back as last fall members of the association came to the conclusion that neither diking nor the Portage diversion was the suitable solution and began to press for the Russell reservoir. Just two weeks ago they had another meeting to which the Minister of Agriculture was invited. At that meeting some further strong recommendations were forthcoming supporting the reservoir solution to the problem. Some of these resolutions were placed on record by the hon. member for Portage-Neepawa this afternoon.

While the association has moved towards solid support for the reservoir, it has not entirely abandoned the principle of diking. It suggests, however, that diking is only a temporary solution to this flooding difficulty. The correctness of that suggestion definitely has been demonstrated by recent events in the district of Portage la Prairie. It will be recalled by hon. members that the city of Brandon was in the headlines, both in the press and on the radio, for a period of almost two weeks recently because in that city a heroic struggle was taking place to maintain their diking system intact. I am pleased to be able to say that largely as a result of action on the part of the municipal authorities, assisted by an excellent civil defence group supported by police and fire departments, Brandon was able to maintain its diking system intact and that no major

flood damage took place within the city proper. However, while Brandon was saved, the dikes erected there merely succeeded in pushing the additional water in the direction of Portage la Prairie and, as has already been indicated, the Portage dikes were breached and considerable damage done to the extremely fertile farm land of the Portage plains.

In reference to this diking problem I would further point out that the city of Brandon has spent in the past two years some $70,000 of its own funds. Of course I think it will be understood that an expenditure of that kind to cope with the flood problem is much too high for any one municipality to bear. I would therefore join heartily with the hon. member for Portage-Neepawa in suggesting that some definite action be taken with reference to the recommendations of the P.F.R.A. report on flooding on the Assiniboine river published in 1952 and that this action be taken in consultation with the municipal authorities as well as the provincial authorities.

Just before leaving the subject of flooding, which comes under the general heading of P.F.R.A. and P.F.A.A., I want to say I have received certain resolutions from municipalities and areas affected suggesting that something be done by way of compensating farmers who have been flooded out, in some cases for three years in succession. There is a group of farmers along the Assiniboine river in Saskatchewan as well as in Manitoba west of Brandon who have suffered almost complete crop failure during the past three years because of the regular flooding. Unfortunately, as has been pointed out by the hon. member for Acadia, there is just no way under the P.F.A.A. scheme whereby these farmers can be compensated.

I know the government is aware of the problem because two or three weeks ago I submitted a motion for the tabling of letters, documents, etc., relating to the problem of flooding on the Assiniboine, and I have been informed by the government departments concerned that the correspondence is so voluminous they hardly know where to begin in responding to my motion. Obviously the government is well aware that the farmers of Manitoba are quite exercised over this difficulty. They are and have been so exercised that in the past year the provincial government established a committee to examine thoroughly the question of crop insurance. This of course is related to the whole problem of the Prairie Farm Assistance Act and its adequacy in meeting present-day problems in the prairie provinces. While the committee has not yet submitted its final report there is every indication through preliminary press releases that the consensus will be that the present P.F.A.A. legislation is quite inadequate to deal with the problems of floods and other agricultural hazards as they apply to the province of Manitoba.

From time to time farmers in Manitoba have complained because it was becoming increasingly obvious that Manitoba farmers were not receiving proportionate returns from their contributions to the P.F.A.A. scheme, largely because Manitoba does not have so much submarginal agricultural land as the provinces of Alberta and Saskatchewan. Even this year the figures for P.F.A.A. assistance, if I remember them correctly, are something like $19 million for Saskatchewan and $3 million for Manitoba. In addition, I have already had letters from farm constituents pointing out that any assistance they have been able to obtain under P.F.A.A. as it stands is quite inadequate to deal with the problem created largely by the flood emergency.

I am not going to take the time of the house tonight to deal with the question of crop insurance as comprehensively as did the hon. member for Acadia. That would merely be going over ground already covered. I would, however, point out very emphatically that Manitoba farmers are very much exercised over this matter, and no doubt when the report of the committee investigating crop insurance is brought down there will be strong recommendations that something be done to provide more adequate protection on an actuarially sound insurance basis not only for Manitoba farmers but for other farmers of the prairie section of Canada.

There is one final point, perhaps an incidental one, on the question of flooding to which I should like to refer before leaving this section of my remarks. I wish to draw the attention of the house to a report that emerged from a government department a few weeks ago concerning moisture control experiments that have been taking place in southwestern Manitoba and in two areas of west central Saskatchewan during the past two years. The Canadian Press report on the matter emanating from the government weather service branded as a failure the commercial rain-making experiments carried out in 1953 and 1954 in sections of the prairie wheat belt. The official summary of the weather service report says that the most likely effect of the cloud seeding was a decrease in rainfall of 14.1 per cent.

Since this official statement was made by this government source the group carrying

on these experiments in Manitoba and Saskatchewan have issued a counteracting statement in which they point out that the appraisal of the experiments is completely inadequate, if not entirely wrong or distorted, because no final opinion concerning the rain-making experiments can be formed until there have been at least seven years of experimentation in this particular section of the country. I am taking the opportunity tonight to point out that there has been considerable interest in this experiment among the farmers. Earlier in my remarks I talked about flooding, but most hon. members will recall that an excess of water is not the only problem of the prairie region. For many years during the so-called dirty thirties we had the problem of drought to contend with. This work relating to the drought problem has been carried out on a voluntary subscription basis by the farmers interested, and it is unfortunate that the government weather service allowed a premature report to be circulated before the scheme had had an opportunity to prove itself one way or the other.

The hon. member for Comox-Alberni also dealt with this subject in the house on the 17th of May, and as found at page 3869 of *Hansard* for that day he stated:

> As I stated somewhat facetiously, I admit, in conversation with some of my colleagues, if this situation were permitted to develop it is conceivable that we in British Columbia would have the power to turn the entire prairie provinces into a desert by taking all the water out of the clouds coming in from the Pacific.

The hon. member was referring to similar experiments that have been taking place west of the mountains. He himself described his remarks as being somewhat facetious, but unfortunately the press picked up the statement I have quoted and headlined it in the west. They said that a member of parliament had suggested the possibility that the prairies might become a desert as the result of cloud seeding weather modification experiments being carried out on Vancouver island. That, I trust, will put the record straight. I have taken the time of the house to do so because this publicity has been somewhat disturbing to the farmers who have invested substantial sums in this experiment.

Now before concluding, Mr. Chairman, I should like to have a brief word on general agricultural matters. This is the first time I have taken part in any agricultural debate in this chamber during the present session. There has been a great deal of time consumed in discussing the agricultural picture. Because it is in the process of transition, I have waited until we had the opportunity of hearing statements from the responsible cabinet ministers, and particularly until we had the opportunity of getting the picture from the farm organizations, the representatives of the wheat board and the board of grain commissioners who appeared before the agriculture committee. The pattern that has been taking shape during the year has definitely come into focus during recent weeks.

I admit that the minister, in his general preamble to this discussion a week ago tonight, was very optimistic in his generalizations. I would conclude from his remarks, to use a phrase that might appropriately be used by one who is an Indian chief as well as a minister of the crown, that he believes all the smoke that has been raised in this chamber is, "heap big smoke and no fire". However, the Minister of Finance, in his budget speech, emphasized that agriculture was having a difficult time. The Minister of Trade and Commerce, who is also an optimist, made the announcement of the final payments for western grain and said he was disappointed in the final price which was the result of strong competitive factors in the export market, particularly competition arising from the United States surplus disposal program. There is, therefore, definitely some cause for alarm on the part of those who are vitally interested in the prairie agricultural economy.

The current review of agricultural conditions for Canada gives the farm net income for Canada by provinces for 1953 and 1954. I was interested to note that every province with the exception of the four western provinces pretty well maintained its net income position as between 1953 and 1954. On the other hand, Manitoba net income for 1953 was $110·6 million and for 1954 was $72·5 million, a percentage change of minus 34. The percentage change for those two years in Saskatchewan was minus 73, and the percentage change in Alberta was minus 42. I put that on the record, Mr. Chairman, merely to suggest that things are not too rosy in the prairie agricultural picture at least.

This fact was verified—

Mr. Gardiner: May I suggest that that verifies every statement I have made here in the last six months.

Mr. Dinsdale: I do not quite understand that, Mr. Chairman.

Mr. Gardiner: Every time I have spoken on this question I have pointed out that the reduction in farm income in 1954 was brought about by what happened in Manitoba, Saskatchewan and Alberta.

Mr. Dinsdale: I get the point.

Mr. Charlton: Not altogether.

Mr. Dinsdale: I am speaking largely from the viewpoint of the westerner, and therefore I stressed the prairie position.

Mr. Gardiner: I do, too.

Mr. Charlton: That is obvious.

Mr. Dinsdale: The appearance of the interprovincial farm union before the committee again indicated that they were very unhappy with the prairie agriculture position. I was most interested in one statement on page 4 of their brief to this effect:

> For many years Canadian farmers advocated complete free trade, and if given that offered to produce in competition with all the world. This offer was spurned by Canadian industry which insisted on protection. Since that is now the accepted policy of Canada, we contend that Canadian farmers are entitled to equivalent benefits in some effective form.

I stress that phrase, "since that is now the accepted policy of Canada". I think that is the first time I have ever seen any western farm group appreciate the fact that the free trade propaganda that has been promulgated by a Liberal administration at Ottawa during the past two decades is a myth. They are now aware that Canada has a protectionist economy which favours the industrial provinces of central Canada. I think that is most significant. So far as I am concerned, it is the first time I have seen that expression of opinion from a prairie farm group.

The farmers' union opinion, as I understand it, is merely a new expression of the agricultural discontent that is peculiar to the prairies, and has been peculiar to the prairies ever since the early part of this century. It is the old agrarian protest raising its head again, a protest that has had such dramatic effect on Canadian social, political and economic life. But it is expressing itself in a somewhat different form this time, and definitely demonstrates that it has seen through the myth of the so-called Liberal free trade.

I have not much time left, but I want to say that the one observation that kept coming to my mind as I listened to the proceedings in the agriculture committee was this: After 20 years of continuous Liberal administration in Ottawa the prairie economy is still in a vulnerable position. We are still beset by the crisis of price and market, and this has been eloquently demonstrated in the remarks made by the Minister of Finance, the Minister of Trade and Commerce and the various groups before the agriculture committee. In fact, if it were not for the existence of the wheat board the situation would be much more difficult than it actually is. If I might be allowed to say so, Mr. Chairman, I would remind hon. members that the Canadian wheat board principle was laid down by a Conservative administration in 1935. There are many historical references in this chamber from time to time, and I am amazed at the tendency in all parts of the house towards the distortion of history.

I am reminded of a criticism that was once directed at Hitler and his henchmen when they were playing with history a few years ago in the greater Reich. Someone dared to criticize that gentleman to the effect that in the long run history would catch up with him; history would tell the true story. Hitler replied that he did not have the slightest misgiving in that regard because they would be writing history. I am afraid it is the tendency for all politicians to write history according to their own lights. I merely indicate that the wheat board principle, which emerged as a result of the economic crises of the thirties, was a by-product of a Conservative administration.

I would like to emphasize further, Mr. Chairman—because this point was discussed to a certain extent this afternoon—that, in turn, the depression of the thirties was a by-product of a century that had been saturated by what economists call Liberal laissez-faire economics. It was Mr. Bennett, with his new deal, and with his central bank principle, that first put a halt to the rather illusory and fanciful principles underlying Liberal laissez-faire economics which had dominated the western world ever since the industrial revolution.

I think that fact should be placed on the record, because sometimes even opposition groups are taken in by distortions of history, emanating from government sources. Just a short time ago the hon. member for Peace River, referring to the same period, suggested that Mr. Bennett had done nothing during the thirties to solve the problem. This is what he said, as it is reported at page 3986 of *Hansard* for May 20:

> Every time anybody said to the Conservative government, "Why don't you get some purchasing power in circulation to start the wheels of industry going again?" the answer he got was, "There is not any money." They kept on saying that all through their regime up to 1935 when they were pitched out by the people of Canada largely because they had not found a solution or begun to find a solution for the unemployment problem.

The Deputy Chairman: Order. I hope the hon. member will not continue to read into this debate the record of another debate on a different subject. I am sure he will agree with me when I suggest that if we are going to go into matters of history, other than those connected with agriculture, we will be a very long time disposing of the estimates of this

department. I would ask the hon. member to confine his remarks to the estimates of this department.

Mr. Dinsdale: I accept your gentle reprimand, Mr. Chairman, and shall conclude by saying that the significant and shocking fact that emerges from the recent discussion of agricultural problems is the fact that we in the west are just as vulnerable, just as unstable and just as economically immature as we were 20 years ago when a Liberal administration first took over. We will have these problems with us, and we will be wrestling with them until such time as we are able to establish a diversified and mature economy, not only in the two central provinces but right across the country. And I suggest, Mr. Chairman, that is the alternative the Conservative opposition has been offering for several years now—the development of national resources, both human and natural, so that we might deal with the basic and fundamental difficulties of the western economy.

Mr. Bryson: Mr. Chairman, we in this group are not only concerned, but we are disappointed that at this session of parliament the government has failed to appreciate the very serious decline in Canada's agricultural position. We feel that at this session the government should have introduced some comprehensive farm program that would have placed agriculture back on a sound economic base.

In order to do this we believe that the new program should take into consideration a completely new approach to the problems agriculture is now facing. We believe that is necessary, if agriculture is going to make that contribution to the Canadian prosperity of which it is capable. And so it is because of these things I rise this evening to speak in criticism of the present agricultural policy the government is pursuing and has pursued in the past.

Certainly it is not my intention to place once again on the pages of *Hansard* the many arguments that have proved our contention that agriculture is in a difficult position. That has been done on numerous occasions, and was done again very well this afternoon by the hon. member for Mackenzie. However, in spite of the fact that many members on the opposition side of the house try to set out the problem faced by this industry in Canada, during the budget debate the Minister of Finance pointed out that in 1954 Canada's gross national product had fallen to the extent of some $400 million, and that in large measure, as a matter of fact to the extent of three-quarters, that drop was due to the fall in the income of farmers. On that admission therefore we can safely say that agriculture does play a tremendous part in the economy of the country.

It would be equally difficult to argue that the economic recession we see all across this country is not largely attributable to the very serious position in which agriculture finds itself today. Certainly the great measure of unemployment experienced throughout the country can be traced to the very unfavourable position of agriculture. That unemployment to a great extent has come about through lack of operations in the farm machinery industry, an industry which must be associated with agriculture; and the condition of that industry is due to the lack of purchasing power in the hands of Canadian agricultural producers.

Surely this condition has many repercussions. Figures from the dominion bureau of statistics show that in the last six months there has been a decline in retail sales in this country to the extent of $129 million. Businessmen throughout the country are holding meetings among themselves to try to devise some method whereby they will be able to continue in a liquid position, and still be able to supply in some measure the goods and services required by the agricultural producers. I am sure these men, not only in western Canada but in all parts of the country, have come to realize that we cannot let the farmer slide down the economic rat hole without its having very disastrous results on their own businesses. No wonder these businessmen are worried. When we look at the economic picture in agriculture we find that, in spite of the fact that we have experienced at least 10 years of good crops and high production, the agricultural policy being pursued by the government must stand condemned. In spite of this tremendous production in Canada farmers are experiencing a serious decline in purchasing power. I think it is a rather different situation. The farmers of western Canada have experienced five normal crops in so far as production is concerned in three years. It does not seem reasonable to me, when a condition like that has existed and one crop failure follows, that the farmer should find himself in a most embarrassing economic position. I think that there must be something wrong with the agricultural industry of this country when it is not able to survive one crop failure after having harvested five normal crops in the three years previous.

This afternoon the hon. member for Acadia spoke in support of crop insurance. Apparently he has given a great deal of study to

this matter because he spoke at length and in detail. It is not my intention to discredit anything he said, as I think this is a question that needs considerable study. Personally I have reservations as to the merits of a comprehensive crop insurance plan that will do the job.

I believe that subsidies of any kind are not going to provide an answer to the agricultural program. I believe that agriculture, like any other industry, should stand on its own feet. I believe it could do that and we would be able to eliminate many of the subsidies now being paid, and which are not doing the job, if we had an agricultural program that gave the farmer a return that had some relationship to his cost of production.

The average net income of Canadian farmers is in the neighbourhood of $2,000 per year. Agricultural producers feel that they should have an income not less than that of workers in non-agricultural industries. As I mentioned before, when we say that, we do not mean that the non-agricultural workers should get less, but we do contend that the agricultural workers should get more.

With the average income of Canadian farmers being in the neighbourhood of $2,000, that means that a great many farmers in this country are getting less than $2,000. I submit that that is rural poverty with a vengeance. We contend that agriculture should get its fair share of the national income. I am aware that arguments are made that that can never happen. We are told that agriculture must become more efficient; that you cannot expect the national income to be shared among farmers who are not efficient. I agree with that to some extent, but I think this talk of inefficiency in agriculture is overdone. I believe that this talk of efficiency in industry is overdone. I doubt very much if industry is as efficient as we are led to believe. So I do not think we should take that kind of argument into consideration when we ask that the farmer get a fair share of the national income.

This afternoon the hon. member for Mackenzie placed on the record the fact that while some 14 per cent of the people of Canada are engaged actively in agriculture they get only about 8·7 per cent of the national income. The farmer's position has deteriorated over the last 20 years and it has deteriorated very quickly over the last three years.

I should like to place on the record one set of figures to substantiate my argument that last year the farm net income declined by 30 per cent according to the figures of the dominion bureau of statistics. In 1953 net farm income in this country was $1,669,600,000, yet in 1954 that net farm income had declined to $1,125,600,000. In all probability it will be even lower this year. During the last three years the net farm income of agricultural producers has fallen by 50 per cent but on the other hand operating costs have remained constant or have declined only slightly. As a matter of fact in 1954 they declined by only 2 per cent. For the three-year period to which I just referred in which farm net income declined by 50 per cent the cost of production dropped by only 5 per cent.

I think it is common knowledge that when farm production in respect to grain and livestock falls by as little as 5 per cent, farm prices fall by as much as 20, 30 or 40 per cent. Again, when the demand for some particular farm product drops off by 5 per cent farm prices fall, not by 5 per cent but by 10, 20 or 25 per cent.

This price squeeze, this disparity between the prices received by the farmers for what they produce and the cost of production, bears no relationship. This is the thing which is causing great concern today to the industry. There is no relationship between the prices the farmer gets and costs involved in his production. Under the present economic setup today agricultural producers are trying to operate when their costs are administered. Not only is the farmer open to all the hazards of farming, he must deal with things beyond his control outside of these administered costs. He seems to be legitimate prey for everyone.

As someone has said before, and I think this is significant, the farmer is the only person who sells at wholesale and buys at retail. As was said by an hon. member this afternoon, farm prices have changed most radically over the last 25 years. Mechanization is costly and because of the tremendous mechanization that is taking place in agriculture the farmer must have a greater return to support it.

The government is concerned over surplus production of wheat and many people in the government are advocating that production should be cut in the hope that prices will be maintained. I admit that that is a policy which can be carried on most effectively in industry where you can maintain prices by cutting production, but the very opposite is true with respect to agriculture. As soon as prices fall, the agricultural producer, in order to maintain his income, increases his production. That has been the story in Canada over and over again. We believe that the time is overdue when we must have some new approach, if we are

going to solve this problem with which we are faced. As I said a moment ago, I believe it is impossible to hope that subsidies are going to do the job; I do not believe they will. Subsidies should not have to be used. I believe that, if there were some relationship between farmers' prices and their costs, we would not need many of the subsidies which we are using today; but until that happens we have no alternative but to continue to ask for subsidies and to expand them.

In connection with this question, I should like to ask the minister something concerning P.F.A.A. Certainly I do not look on that as a subsidy in the same way as I did the other matters I mentioned, but it is rather unfair that, in certain parts of the country where farmers had a crop failure last year and have no prospect of a crop this year, they are being denied P.F.A.A. payments because they are forced to take some part-time employment in order to keep their families. I hope some leniency will be shown in some of those cases. I can very well understand the overall policy and I see nothing wrong with it, because we all know that a great many people living in every town in Canada own land. Certainly sometimes it is only a part-time occupation, but I feel that, because of the crop failure that was experienced in most of western Canada last year, where a farmer went out in the winter months and took part-time work, even when he knew he was not going to harvest a crop, some consideration should be given in those cases.

We believe that, if we are to evolve a farm production that will do the job, it should be based on the parity concept where we would have some relationship between prices and costs. In advocating such a policy, we believe we are completely justified. This is nothing new. I will admit that the Americans are in trouble to some extent in some phases of their parity scheme, but in the main much of that could have been avoided if some different administration had been used in that policy. The Canadian Federation of Agriculture and other important farming bodies of this country are supporting the principle of parity. Whilst the Canadian Federation of Agriculture is advocating a sliding scale, I cannot accept that. Parity means equality; it means justice; and if anybody can tell me that there is such a thing as 70 or 75 per cent of justice, then I have something to learn. You cannot have 75 per cent of justice. You either have full justice or you do not have any justice. So I maintain that we in this country must advocate full parity. When I say "full parity", I do not mean full parity on everything across the board. I do not think that is necessary; I think it would be disastrous. I do not mean that at all. We should establish a system of parity prices. We should establish the principle of parity. I cannot think of any other industry or any other business in this country that operates on any other basis than that they have some regard for what the product is going to cost them. If they do not take that into consideration, they are just not in business. Yet the farmer goes on year after year in the hope that he will get back the cost of his production, and he very seldom has. We believe that agriculture is important enough in Canada's economy to warrant our asking that it should receive the same consideration as that enjoyed by every other industry in this country.

Mr. Philpott: Mr. Chairman, I can assure the house and the minister that I have no intention of delaying him. I understand that the Saskatchewan concert meeting down town is waiting for the highlight of the evening, that is for the Minister of Agriculture to open the meeting. Judging from the rate at which we are going now, he will not get there in time to pronounce the benediction. I wish to deal tonight with one point in particular, and that is the price support on butter. I am strongly in favour of all sound price support schemes. When I think of all the price support schemes we have had in Canada so far, I believe the price support on butter is the soundest. For one thing, as a city man, I am strongly in favour of maintaining the farmer's income by any reasonable and sound method; and I believe this is a sound method.

But I want to point out that there are two sides to a pound of butter. If you have price supports which keep the income from butter high enough to enable the farmer to make a living, perhaps at times you make the price of butter so high that some people who should be able to eat butter cannot afford to eat butter at all and have to eat that unspeakably poor substitute for butter, namely margarine, which I am sure is having a lot to do with the bad health of some of the people because it does not have the vitamins in it.

I for one do not believe there is any solution to the butter surplus problem, if it is a problem, by foreign give-away programs or by trying to dump the butter which we have over and above our own needs for the domestic market. I for one would not even favour selling the butter at cut rates behind the iron curtain, as I have heard some people suggest from time to time. I should think that the only thing the Canadian people would not forgive with regard to a price

support program would be this, that in our price support program we accumulated surpluses from which no human being got any benefit. I should think that, if we are trying to get a good sound farm support system, we must be sure that we have no stagnating surpluses, and we must be sure that the butter which enjoys the price support gets to the ultimate consumer. With all respect, I should like to make this suggestion for the consideration of the minister and the consideration of the government. If it should turn out that we have an accumulating surplus, I should like to see careful consideration given to the issuing of coupons to people in a certain amount of need, especially to people on old age assistance in Canada and on war veterans allowance in Canada. These coupons could be issued on a monthly basis.

Last year I had the duty and privilege of looking over the family budgets of a good many hundreds and perhaps even thousands of people living on old age assistance or old age pensions, and I was appalled to learn, after they had their budgets figured to the last cent, how few of these people were able to afford butter. They did not have enough fats; they did not even have enough margarine.

I would suggest to the minister and to the government, with all respect, that if they are considering disposing of the surplus, they do not try to dispose of it behind the iron curtain, that they do not try to dispose of the surplus in Asia, that they do not try to dispose of the surplus in Europe but that they do dispose of the surplus, if and when it occurs, to our own people and on the basis of those who need it most. We could try it out in a most moderate way by experimenting with the group on old age assistance; I refer to the people living on old age pensions with a means test from 65 years of age to 69. If that experiment proves to be sound,—and by that I mean if it is proved that it does not demoralize the regular market for butter; and indeed that is the real test, for whatever we do, it should not take away the profitable sale of butter through the regular channels—and if on a moderate and experimental basis it is proved that it can be done through old age assistance groups, I cannot see any reason why there should not be tried as an experiment, maybe once a year, the issuing of a cheap pound of butter or even a free pound of butter to everybody drawing family allowance, one for every child.

Mr. Trainor: I was interested and, I must confess, to a degree gratified by the remarks made by the hon. member for Portage-Neepawa this afternoon when he said he advocated the amelioration of the flood conditions on the Assiniboine river. I can recall that no longer ago than last summer I had the honour of attending, with the hon. member for Portage-Neepawa and the hon. member for St. Boniface, a meeting with a number of farmers from the Assiniboine river area. At that time the hon. member indicated to that group that he did not consider the flood conditions along the Assiniboine river to be sufficiently grave to justify federal intervention. Consequently I am gratified that the hon. member for Portage-Neepawa has changed his opinion in this regard.

As a matter of fact, this situation along the Assiniboine river has been a real problem to farmers in this locality because, as the hon. member for Portage-Neepawa has pointed out, this river has been in an almost perennial flood condition. It is a fact that in the year 1950 the city of Winnipeg had a narrow escape from total catastrophe owing to the fact that the Assiniboine river did not coincide completely with the Red river in the matter of flood conditions. Had the two coincided, the city of Winnipeg would have been inundated completely and would have been under approximately three feet to four feet of water. I suggest that this would be a situation that would be completely catastrophic.

In his remarks subsequent to those of the hon. member for Portage-Neepawa, the minister indicated that this is a situation that deserves a great deal of special consideration on the ground that amelioration would be extremely costly. I would suggest that the cost would be not considerable in comparison with the cost to the country, and particularly the cost to the Winnipeg area, of a catastrophe such as that which I have outlined.

Mr. Gardiner: If I gave that impression, I gave a wrong impression in what I said. My suggestion was that we have only $3½ million a year with which to do all our P.F.R.A. work and that we could not take $6 million, $7 million or $8 million out of it in order to build this dam. I said that what we would have to consider was the possibility of doing it under the larger projects scheme, which is not P.F.R.A. For this larger projects scheme $7 million or $8 million is voted each year.

Mr. Trainor: I agree with the minister in this respect. I would suggest that he devote every effort to obtaining that extra appropriation that is required, because it is definitely required and it is certainly justified by the facts of the situation. Here we have a situation of which we had a foretaste in 1950. Those of us who experienced that foretaste have a healthy appreciation of what the situation might have been had the Assiniboine

coincided with the Red river in flood. We know beyond any shadow of doubt what that situation would have been.

I would suggest to the minister that if he can do anything to protect us and to put into force measures that will give protection against the possibility of such a situation developing in the future, it would be a laudable effort on his part. I hope that he will do so. I believe that the possible economic results of such a catastrophe would be far beyond any possible economic outlay to which the government might be subjected.

The hon. member for Portage-Neepawa gave what I thought was an excellent outline of the facts of the case. I thought he indicated logically the facts of the Assiniboine river and put them forward in a sensible sort of way. One point that he perhaps did not bring forward sufficiently clearly was that this is not an unusual situation but that it is virtually perennial. I can recall that in years gone by, in the vicinity of Poplar Point, almost perennial flood conditions have existed along the Assiniboine river. As was indicated by the hon. member for Portage-Neepawa, the farm lands that are threatened by these floods are among the best farm lands in western Canada. Certainly the economic loss that has accrued to these farmers over the years must have been severe. Perhaps that economic loss in the aggregate would amount to far more than the economic investment that might be required to prevent such a situation occurring.

I would therefore urge the minister to do everything in his power to see that the resources of the government are brought to bear to ensure that this Assiniboine river is harnessed as far as flood conditions are concerned. Perhaps, in the harnessing of it, it might be found that the periodic drought that occurs along the western plains in the basin of the Assiniboine river might be contemporaneously ameliorated.

Mr. Herridge: Mr. Chairman, I make no apologies for taking the time of the house to say a few words on behalf of the farmers of my constituency. I want to say at this point that the few lonely trumpets that are blown on behalf of the fruit growers of British Columbia do not pretend in any sense of the word to compete with the very effective 35-piece brass band from the prairies. I happen to represent a lot of small general farmers, fruit farmers, dairy producers and poultry farmers, the type of farmer whose battle with nature has been a somewhat different kind than that of the farmers of the prairie provinces. While prairie farmers have certain climatic hazards and possibly climatic disadvantages on occasions, the farmers I represent have to work 12 months a year and slave from morning until night on the whole in order to make a living on farms that have been wrested from the forests surrounding them. Therefore I am sure the minister will pay very careful attention to my representations.

Mr. Gardiner: As long as you do not think we do not work on the prairies.

Mr. Herridge: I am suggesting there is a difference in the type of work. I had to place the thing somewhat in focus in order to get the minister to appreciate the peculiar difficulties of the farmers I represent. When the minister spoke I was very interested that he repeatedly dealt with the representations made by the Canadian Federation of Agriculture. I was most interested in that because it indicates the growing impact of farm organizations on the government and on public opinion in general. Because of that I cannot fail to mention the fact that the British Columbia federation of agriculture was first organized in 1933 by Mr. Charlie Hayden, Mr. Dodsley Barrow, a former minister of agriculture of the province to whom British Columbia owes a great deal, Mr. Clarence Oldfield and others in the interior of British Columbia. They have done some excellent work throughout the years.

The British Columbia federation is supported by the British Columbia fruit growers association, the Fraser Valley milk producers, the fruit and vegetable producers and the Vancouver island farmers in general. I think they led Canada in advocating the necessity for marketing legislation for the improvement of co-operative marketing, in respect of such things as getting the carbon content of fence wire improved so that the tensile strength of fencing is sufficient, and in arranging for marketing conferences on a provincial basis something along the lines of the federal conferences. They have been interested in getting the federal government to use live vaccine in connection with Newcastle disease. They have been very interested in conservation, taxation and agricultural policies, and all those things that are in the best interests of the farmers in general.

They have also shown a very forward looking approach by the fact that they were the first organization in British Columbia to make representations to the provincial government, which they did in 1950, urging that the water resources of the Columbia river be carefully preserved to the advantage of Canadian interests and that any deals made with the United States should be on the basis

of payment in full in the form of power. I mention these few things because I was active in the early days in the formation of the British Columbia federation of agriculture, and know of its good work.

That organization was the parent organization of the Canadian Federation of Agriculture because in 1935 the late Major Hutton, who came from the interior of British Columbia, went to the Royal Winter Fair at Toronto and at that fair the Canadian Federation of Agriculture was organized. I am very pleased to know that the organization is so well thought of at this time.

I want to pay tribute to the good work that has been done by the members of the federation in British Columbia throughout the years and to the good work being done by the present officers of the federation because, while they work without the publicity of other organizations, the work that is done by the farmers' organization has a tremendous effect on agricultural legislation both provincially and federally. It is true to say that the Canadian Federation of Agriculture was conceived in the interior of British Columbia. Second, it is true to say that the first natural products marketing act established anywhere in Canada was the result of the organization and the activities of the British Columbia fruit growers association. I mention these things to indicate the progressive and constructive approach that the agricultural organizations in the interior of British Columbia and in British Columbia generally have had throughout the years.

The marketing situation in British Columbia has changed considerably in recent years. Prior to the second world war about half the apples grown in British Columbia were marketed in Great Britain. During the second world war thousands of pounds of vegetable seeds such as onions, carrots, beets, lettuce and so on were grown in the southeastern portion of British Columbia particularly and shipped to Great Britain and some other countries. Owing to the shortage of dollars in Great Britain these markets have largely been lost, although we are glad to know there is a slight resumption in the sale of fruit to the British market.

But while these overseas markets have been lost to a considerable extent we are fortunate, owing to the 40 per cent increase in population in British Columbia and the great industrial expansion, that the domestic market in British Columbia has increased considerably and has to some extent offset the loss of the export market in some phases of agriculture. I think it is fair to say that the farmers I represent are doing all they can to produce high quality produce at a reasonable cost. An increasing number of them are making effective use of labour saving equipment, fertilizers, irrigation and agricultural chemicals. They are also doing what they can as the result of building up efficient co-operative organizations which have a history of good management throughout the years. The farmers I represent and those in British Columbia generally are first of all producing as efficiently as any farmers in Canada, and possibly lead the rest of Canada in the building up of well-managed co-operative organizations to market their produce, particularly through British Columbia Tree Fruits Limited, the interior and coast vegetable marketing boards, the Kootenay co-operative poultry producers, similar organizations representing poultrymen at the coast, and the beef cattle producers.

I say that to indicate that the farmers have not sat back idle but have tried to help themselves as far as possible. They have done the best they can. They have used all facilities available, their energy, capacity, experience and intelligence, to organize some of the best co-operative marketing organizations in Canada at this time. However, regardless of that they are faced at the present time with a problem of increasing costs and falling prices, the same as other farmers in Canada. That means they are facing a very difficult period particularly in certain sections of agriculture.

I am not going to deal at length with that matter, but they need a measure of government action, both on the provincial and federal levels, to assure them the security they are entitled to as a result of the efforts they have made on their own behalf. I think we need adequate provincial and federal marketing legislation which will enable them to develop broad marketing of their own products on a national scale. I think they need a program of price supports which, on general principle, will be available to all farm products if necessary.

I am not going to say any more about the question of floor prices or price supports because other speakers have dealt very fully with that question and have gone into it in detail. I would simply be taking the time of the house by repeating what these speakers have had to say. But I do believe there is a great necessity for an over-all policy of floor prices and price supports to give the farmer the basic security to which he is entitled as a result of helping himself to the fullest extent possible.

Then, we need a national agency with full authority to administer an over-all program of price support under specific terms of reference established by legislation. In addition to that, particularly in British Columbia,

the fruit industry is of the opinion that provision must be made for establishing whatever import controls may become necessary in connection with administration of price support. These should be of a regional or seasonal nature wherever appropriate. Now, that is all I am going to say with respect to marketing in general.

I want to deal with another question for a few minutes because it is of particular interest to a number of producers that I have the honour to represent. In spite of the growing advances in agriculture in British Columbia there is an urgent need for additional research and extension work designed to promote the production of heavy yields of high quality produce at low cost without impoverishing our soils. It is very necessary in our district because we have very different conditions from those existing on the prairies. We have such changed circumstances, even with climate, within a few miles and our soils vary a great deal even from mile to mile. Generally speaking, many of our soils on which fruit is grown are what is known as benchlands, and are the lighter type of soils which can very quickly be impoverished by poor agricultural practices.

I want to take a minute to draw the minister's attention to a resolution or two passed by the British Columbia fruit growers association in convention on January 18, 19 and 20 of this year at Kelowna. I want to use these two illustrations as an indication of the interest of the farmers of interior British Columbia in an extension of certain research work. One resolution was adopted unanimously at the convention with respect to research in dwarf and semi-dwarf apple tree stocks. The resolution reads as follows, and I am going to place it on the record because it is an important resolution from our point of view:

> Whereas many apple plantings in the Okanagan and Kootenays are 30 years of age and older, and
>
> Whereas in the near future considerable replanting will have to be undertaken to replace those trees which are no longer economical producers as well as those producing unmarketable varieties, and
>
> Whereas it is becoming increasingly evident that the pruning, thinning, picking and spraying of standard type trees are both time and material consuming to such an extent that the profit from fruit growing is diminishing even in years of good crops and prices, and
>
> Whereas growers are becoming increasingly interested in dwarf and semi-dwarf stocks such as those from East Malling,
>
> Therefore be it resolved that this B.C.F.G.A. convention petition the experimental station to place greater emphasis on the propagation and planting of dwarfing stocks in order to find out whether any of our present marketable varieties are incompatible with certain root stocks, and to find the stocks best suited to widely different soil conditions of this area.

[Mr. Herridge.]

The area concerned is the Okanagan and the Kootenays. There is no reflection on the staff of the experimental station at Summerland which has done excellent work throughout the years. The resolution merely indicates that the staff must have sufficient funds to carry on that type of research. I want particularly to draw the minister's attention to the fact that it is necessary in view of the large replacement of older trees which will be taking place in the Okanagan and Kootenay valleys from now on at an increasing rate.

I now deal with another resolution adopted in connection with research because it is of particular interest to the Kootenay district. This is the resolution in connection with little cherry disease. I know the minister's officials have been carrying on research for some years, but it is a serious problem and has caused great loss to some growers. There is a feeling that more extensive research should be carried on in this connection. The resolution adopted by the convention in this regard was:

> Whereas development and research work on Kootenay little cherry disease has been carried on for the past eight or more years and while considerable knowledge of this disease has been obtained no solution seems to have been reached in regard to control or eradication nor have varieties been found that are resistant, and
>
> Whereas little cherry disease is becoming an increasingly serious problem each year in the Kootenays and has now appeared in the Wenatchee area south of the international border,
>
> Therefore, be it resolved that this 1955 B.C.F.G.A. convention ask the federal and provincial departments of agriculture to greatly increase the work being done on the little cherry disease and that the ministers of agriculture of both the federal and provincial governments be asked to see that adequate funds are made available for this work.

I am particularly interested in this, Mr. Chairman, because in the Kootenays we have the climate and soil, as well as conditions in general, to produce the finest cherries that can be produced anywhere in Canada. I think that is recognized, particularly so far as Bings, Lamberts and some of the other later varieties are concerned. A number of our cherry growers have suffered severely from little cherry disease, and it is a great impediment to them and the district. Until the disease is conquered the development of the cherry industry in the Kootenays particularly will be retarded because people are somewhat sceptical of putting in new plantings. It is a very important part of our agricultural development in the Kootenay area, so I support in full the representations of the B.C.F.G.A. and ask for further funds for extended research work in this very necessary field.

Now, Mr. Chairman, I have another resolution or two passed at the convention, and I

want to deal with one about fruit reaching the market in the best condition, which is a very important thing. This resolution was adopted in that respect:

Whereas it is of the utmost importance that fruit reach the market in the best possible condition, and

Whereas the least bruising will be effected in those railway cars carried nearest the engine,

Therefore be it resolved by this 1955 B.C.F.G.A. convention that all cars of fruit carried by railways be spotted next to the engine.

I mention that to indicate how much consideration they have to give to the handling of fruit by rail transportation. I give credit to the transportation companies and to the officials of the department, both federal and provincial, for the great progress that has been made in recent years in the provision of fast, efficient freight service for the delivery of fruit from the Okanagan and the Kootenay valleys to prairie and other points. I mention this resolution to indicate that there is still room for improvement in this connection.

I want to bring to the minister's attention the question of the shipment of cherries, peaches, apricots and certain soft fruits from the Arrow lakes north to Revelstoke on the main line where that freight is often loaded into fast freight trains which proceed to prairie points. The fruit comes up the Arrow lakes by steamer. It is fairly cool and it is taken care of there. A steamer moving on a large lake provides certain air ventilation and coolness that prevents any deterioration of the fruit. In recent years when it reaches Arrowhead it has been unloaded from this steamer on hot days—and cherries are very susceptible to the heat—and loaded onto the dock at Arrowhead. From there it is loaded into baggage or freight cars and put into the yards at Arrowhead and left there for some time, often in the very strong sun. These cars are then hooked onto a mixed train whose average speed is about 15 miles an hour. Consequently, these fruits are sometimes subjected to very high temperatures for several hours, before reaching Revelstoke. As a result, when they reach the market, sometimes in the case of cherries, they show some development of plum rot or some development of mildew and defects of that sort.

I do urge the minister's officials responsible to do what they can to see that these smaller collecting points get as good service as possible from the railways. Possibly if there were more people living in that area, and the volume of fruit were greater, they would receive more consideration. The points of which I am thinking would not ship more than 25 or 35 carloads in a season, but those 25 or 35 carloads are very important to the people concerned.

In the fruit industry of British Columbia in recent years there has been devised a very efficient system of advising growers when to spray—that is, when the trees are in a proper condition, the dormant, the pink blossom, and at other stages. Then there is also an efficient method of advising fruit growers when to pick certain varieties and have them transported to certain points to meet marketing requirements.

This is being done by radio. At the last convention of the British Columbia fruit growers association the matter was discussed, and the following resolution was adopted:

Therefore, be it resolved by this 1955 B.C.F.G.A. convention that the executive of the B.C.F.G.A. make every effort to have this broadcast included in the program of the C.B.C. booster stations at Oliver and Osoyoos.

I would add the booster stations at Creston and Castlegar, and one or two other points. It is also a very necessary and a very worthwhile service to the fruit growers living away from the main lines of transportation. It is useful to them to receive instructions when to spray and pick.

In connection with the question of booster stations I would point out to the minister that the farmers in west Kootenay district are anxious to listen to Canadian radio programs in general. I do hope he will urge the Canadian Broadcasting Corporation to erect another two or three booster stations for general service of the farmers in the area I represent.

I see I have only a moment or two left before the hour mentioned for adjournment. I wish to support the remarks of previous speakers with respect to the good effect the price support on butter has had in this country, so far as the dairymen are concerned. I hope the government will continue this policy.

On behalf of the farmers I represent, may I voice my protest against reductions in freight assistance. I have mentioned this on two other occasions, but I feel I should not let this opportunity pass without mentioning it again. It has created considerable hardship to the dairymen and poultrymen particularly in my district.

I see we have almost reached the suggested hour of adjournment, and I shall conclude my remarks at this point in the hope, as usual, that the minister will give serious consideration to the representations I have made.

Item stands.

Progress reported.

Business of the House

BUSINESS OF THE HOUSE

Mr. Sinclair moved the adjournment of the house.

He said: Mr. Speaker, there is one slight change in the order of business announced by the Minister of Finance last night. The Minister of Northern Affairs and National Resources will not be here on Monday afternoon, so that his bill, No. 3, goes to the bottom of the list.

First there will be item No. 1 on the order paper, which is Bill No. 5; the second is item No. 11, a resolution; the third is item No. 12, another C.N.R. resolution; the fourth is item 14, a resolution concerning fishermen's loans; fifth is item No. 10, the second reading of a bill amending the Prisons and Reformatories Act; sixth is item No. 13, an act respecting the boundary between Alberta and British Columbia. Item 7 will be next, a bill concerning the Defence Production Act. Then, last, will be Bill No. 3 respecting international river improvements.

That is the program for Monday and Tuesday.

Motion agreed to and the house adjourned at 9.45 p.m.

HOUSE OF COMMONS

Monday, June 6, 1955

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

STANDING ORDERS—CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. J. H. Harrison (Meadow Lake) presented the third report of the standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

Thirteenth report of standing committee on railways, canals and telegraph lines.—Mr. McCulloch (Pictou).

TRADE

ANNOUNCEMENT OF PROTEST AGAINST UNITED STATES TARIFF ON HARDBOARD

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I wish to inform hon. members that an official note was delivered to the United States government on June 1 on the subject of the United States tariff on a product of the pulp and paper industry which is known as hardboard.

Last week the Canadian ambassador in Washington made various official calls to express the concern felt here about a bill now before congress which would increase the duties on hardboard.

The text of the Canadian government's note is as follows:

The Canadian government wishes to draw to the attention of the United States government the serious concern which is felt about a proposal to increase substantially the United States duty on imported hardboard. This proposal is understood to have been included by the Senate finance committee as a rider in a bill HR 5559, "to make permanent the existing privilege of free importation of gifts from members of the armed forces on duty abroad." The United States hardboard industry has recently been investigated by the United States tariff commission and the resulting report is not such as to support increased tariff protection. It is hoped, therefore, that strong efforts will be made, within the United States government, to defeat this present measure which would have damaging effects upon the trade of other countries, including Canada, and damaging repercussions upon the attitudes of other countries in their trade relations with the United States.

It will be recalled that the Canadian government made representations to the United States government in a note of July 19, 1954, on the previous occasion when this measure on hardboard was before congress. The Canadian government drew attention in that note to the fact that tariff paragraph 1413, under which hardboard is imported into the United States, was negotiated with Canada and is bound by trade agreement.

To make brief reference to the events which have ensued, on August 9, 1954, the Senate finance committee directed the United States tariff commission to make an investigation of the hardboard industry and of the import classification of hardboard. In its report the tariff commission dealt only with the technical question of the classification of hardboard and it found hardboard to be a distinctive article of commerce of sufficient importance to justify specific enumeration thereof in the tariff schedules. In the majority findings, it was made clear that the tariff commission had not been asked to investigate the rate of duty appropriate to hardboard nor did it make any recommendations regarding the tariff rates themselves. The minority findings went further to say that "no information which they obtained in the course of the commission's investigation, indicates a need for revising those rates at this time". In the statement of findings of the commission it was said "The domestic hardboard industry thus far has not invoked the escape clause procedure or otherwise claimed to be seriously injured or to be threatened with serious injury as a consequence of increased imports of hardboard".

In summary, while some support was given to the idea of a technical reclassification of the item of hardboard, there was no support whatsoever for increased duties, nor does a careful study of the report show any justification for increased duties.

Representatives of the Canadian industry affected went to Washington to appear at the hearings which were arranged by the tariff commission. The commission made exhaustive studies and took evidence representing different points of view. When the tariff commission report was published, the Canadian government felt this matter to have been disposed of after a fair and exhaustive study.

Hardboard manufacturers have evidently been expanding in the United States and doing well. According to the report, of 11 domestic plants producing hardboard in 1954, two of them commenced operation in 1954, two in 1953, one in 1952 and one in 1951. According to the figures of the tariff commission, almost half of the rated capacity of the industry in 1954 has been constructed since 1947. The tariff commission report indicated in addition that four or five hardboard mills were being planned at the time, with one actually under construction, and another to be started shortly.

With production and consumption rapidly increasing in the United States, and with imports still accounting for a very small percentage of domestic production, it is difficult to see any need for increased tariff protection. If this new rider, which has been attached to the bill, "to make permanent the existing privilege of free importation of gifts from members of the armed forces on duty abroad", were to become law, it would be quite contradictory to the spirit and intentions of the general agreement on tariffs and trade which governs trade relations between Canada and the United States.

The Canadian government has on several occasions made clear the concern which is felt about the widening scope of escape clause procedures in the United States. Moreover, in this case, action is being proposed which is entirely outside the procedures which have been established

U.S. Tariff on Hardboard

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, the statement that has just been made by the Minister of Trade and Commerce should give every member of the house cause for concern on more grounds than those which relate alone to the subject matter of his statement. He has told us that if this new proposal should become law it would be quite contradictory to the general provisions of GATT. He has told us further that the measure is unjustified under the circumstances and represents a widening scope in the exercise of the escape clauses which are provided. This is not the first time that the government has felt impelled to present statements to the government of the United States with regard to other direct breaches of the principle underlying GATT or borderline cases which might conceivably come to constitute breaches.

I think I should mention that on an earlier occasion during the present session the Minister of Trade and Commerce thought it was appropriate to read immediately to the house a statement which had been sent to the government of the United States with respect to certain proposed restrictions on the movement of oil from Canada. I think all hon. members will recall the extreme difficulty we encountered in finding out subsequently what the answer of the United States government had been. In fact, to this day we have not received detailed information as to the position taken by the government of the United States in response to that proposal. We did have, after repeated requests, a very general statement by the Secretary of State for External Affairs, but we do not know yet what the answer of the United States was.

On other occasions the attention of the house has been drawn to breaches of GATT or acts that came close to breaches of the principles underlying GATT. In view of that situation, I hope that on this occasion it may also be indicated to the government of the United States that it would be helpful to the members of parliament of this country, to whom this statement has been read, to have a statement in reply which would inform us as to the response extended to the statement now presented to the government of the United States. If the government has as great concern as is indicated today about the tendency in the United States to extend the scope of the escape clauses, then I would think we have come very close to the time when it may be necessary for the government to propose a general review of the effect of the escape clauses, because Canada certainly should not be in the position of having interferences raised against our normal trade with the United States within the general principles of GATT and at the same time leave ourselves in the position where we are extending not only the opportunities that are afforded in principle but also the opportunities that are afforded by letter.

[Mr. Howe (Port Arthur).]

By all means let us hope that we may continue friendly relations with the United States; but at a time when we are interlocking our defence arrangements so closely with the United States and, in doing so, of necessity bringing our economies more closely together in certain respects, I do believe that on this occasion we should receive a written statement in reply, which the members of the house may have before them, as an answer to the communication which has just been read to us.

Mr. Howe (Port Arthur): I do not wish to enter into a debate on this subject, Mr. Speaker, but I would say that in the case of the restriction on the importation of oil into the United States we received the best possible answer from the United States when that country eliminated the offending clause from its tariff bill. I think the best possible answer we could get to this brief would be the elimination of the amendment to the bill in question before the bill receives the approval of the President.

Mr. Drew: Again, without making a debate of it, I would remind the minister that the amending section which was proposed in regard to the limitation of the movement of oil from Canada to the United States was only removed in view of the fact they had made voluntary arrangements which they found satisfactory to achieve the same purpose.

Mr. Daniel McIvor (Fort William): I should like to ask a supplementary question of the minister. Does this statement not show the difficulty that the President of the United States has in working for freer trade with a protective government?

Mr. Howe (Port Arthur): I am not competent to answer that question, but I will say that the important fact is revealed that protests from Canada are taken seriously in the United States, and that in most cases the correction is made to legislation which we represent as being detrimental to the trade position of Canada.

Mr. H. W. Herridge (Kootenay West): May I ask a supplementary question? If we cannot get satisfaction with respect to these tariff matters could we not retaliate very effectively by imposing an export tax on newsprint and nickel?

Mr. Howe (Port Arthur): What we could do is one thing, and what we think it is policy to do is another. I doubt if we will retaliate.

TRANSPORT ACT

AMENDMENTS WITH RESPECT TO AGREED CHARGES

Right Hon. C. D. Howe (for the Minister of Transport) moved for leave to introduce Bill No. 449, to amend the Transport Act.

Mr. Green: Could we have an explanation?

Mr. Howe (Port Arthur): The purpose of this bill is to implement the report of the royal commission on agreed charges.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 438, for the relief of Marie Merilda Longval Roy.—Mr. Hunter.

Bill No. 439, for the relief of Charles Edouard Thibodeau.—Mr. Hunter.

Bill No. 440, for the relief of Rose Bowman Fox.—Mr. Hunter.

Bill No. 441, for the relief of Marguerite Gladys Letitia Mathers Grimsdale.—Mr. Hunter.

Bill No. 442, for the relief of Jennie Switzman Rashcovsky.—Mr. Hunter.

Bill No. 443, for the relief of Charles Ryerson Stewart.—Mr. Hunter.

Bill No. 444, for the relief of Hilda Emmalin Christensen Taylor.—Mr. Hunter.

Bill No. 445, for the relief of Glendon Joseph Lynes.—Mr. Hunter.

Bill No. 446, for the relief of Kenneth Rae Story.—Mr. Hunter.

Bill No. 447, for the relief of Joseph Marcel Plourde.—Mr. Hunter.

Bill No. 448, for the relief of Mayo Arthur Perrin Harrigan.—Mr. Hunter.

QUESTIONS

PRIVATE RADIO STATIONS—POLITICAL DISCUSSIONS

Mr. Diefenbaker:

1. Have applications been made to the Canadian Broadcasting Corporation by any of the private radio stations in any part of Canada to permit the holding of a political conference or a dialogue between two or more persons on political subjects?
2. If so, which private stations have made such applications and what was the date and the nature of the decision in each case?

Mr. McCann:

1. Individual applications by private stations on such matters do not arise since it is a question of generally applied rules, which are currently the subject of consideration by the corporation in consultation with private stations and political parties.
2. See answer to No. 1.

UNITED NATIONS GENERAL ASSEMBLY—OBSERVERS

Mr. Gagnon:

1. Who were the Canadian observers at the general assembly of the United Nations in 1953 and 1954?
2. What was the amount of expenses incurred by this country for each of the Canadian observers?
3. In what proceedings have they taken part and what are the names of those who delivered speeches thereat?
4. To whom was the report of their observations transmitted?
5. Where may copies thereof be obtained?

Mr. Pearson:

1 and 2.

	Travel	Hotel	Subsistence ($7 per day)	No. of days Present	Total Expenses
1953					
Mr. M. Boisvert	$104.00	$519.00	$396.00	52	$1,019.00
Mr. M. J. Coldwell	74.00	337.00	302.00	36	713.00
Mr. J. M. James	44.00	397.00	403.00	39	844.00
Mr. J. M. Macdonnell	134.00	119.00	83.00	10	336.00
Mr. R. Thomas	71.00	371.00	305.00	38	747.00
1954					
Mr. M. J. Coldwell	68.00	76.00	35.00	5	179.00
Mr. A. Gauthier	53.00	439.00	321.00	44	813.00
Mr. A. R. Lusby	140.00	429.00	347.00	42	916.00
Mr. D. R. Michener	117.00	336.00	185.00	24	638.00
Dr. J. L. MacDougall	193.00	169.00	123.00	17	485.00
Rev. A. B. Patterson	185.00	399.00	287.00	40	871.00
Mr. T. H. Ross	61.00	489.00	364.00	50	914.00

50433—280½

Questions

3. The only observers associated with Canadian delegations to sessions of the general assembly have been members of parliament. They are nominated by their party leaders and are appointed by the government to give members of all parties represented in the House of Commons opportunities to obtain first-hand information of the problems and activities of the United Nations. Customarily the government invites nomination of four Liberal members as observers, two attending each half of the session of the assembly; two Progressive Conservative members, one attending each half of the session; one C.C.F. member to attend half the session and one Social Credit member to attend the other half. Observers are associated with the Canadian delegation and attend delegation meetings but unlike representatives and alternate representatives they have no responsibility for formulating or expressing Canadian policy. They are free to attend all committee meetings and plenary sessions, but are not permitted by the rules of procedure to participate in debates. Many observers become interested in specific subjects during the session and devote all their time to following proceedings in one committee. Others prefer to obtain a more general view by moving from committee to committee. Their programs are left to their own discretion.

4. Parliamentary observers are not required to submit reports of their observations to the government and the delegation does not report on their activities. Whether observers present reports to their respective party leaders is a matter for decision by those leaders.

5. See answer to No. 4 above.

FISHERIES PRICES SUPPORT BOARD

Mr. Robichaud:

1. What is the net cost of operations of the fisheries prices support board since its coming into effect in 1947?

2. What is the total cost of fish purchased by the board as from April 1, 1948 to March 31, 1955 in each of the following provinces: Newfoundland, Nova Scotia, New Brunswick, Quebec, prairie provinces?

3. What are the total proceeds from sales of fish purchased by the board in each of the above named provinces as from April 1, 1948 to March 31, 1955?

Mr. MacNaught:

1. Net cost of operations of the fisheries prices support board since its coming into effect in 1947: $4,141,575.37 to May 31, 1955.

2. The cost of fish purchased, excluding freight, storage, handling, and other charges, is: Newfoundland, $383,601.30; Nova Scotia, $298,222.69; New Brunswick, $529,083.87; Quebec, $164,263.62; prairie provinces, $474,498.03.

[Mr. Pearson.]

3. Total proceeds from sales of fish purchased by the board in Newfoundland, $35,605.76; Nova Scotia, $18,658.11; New Brunswick, $32,665.49; Quebec, $4,856.03; prairie provinces, $55,550.23.

FAMILY ALLOWANCES, NOVA SCOTIA

Mr. Balcom:

What amount was paid by the federal government in family allowances to residents of Nova Scotia during the year 1954?

Mr. Robertson:

1954-55—$17,159,246.

WILLIAM MOTT, NEW WESTMINSTER, B.C.—TELEGRAM

Mr. Green:

1. Did the parliamentary assistant to the Postmaster General on or about May 5, 1955, wire a certain William Mott of New Westminster, British Columbia, concerning a change in name of a postal station then known as Whalley?

2. If so, was this telegram sent at public expense?

Mr. Kirk (Shelburne-Yarmouth-Clare):

1. Yes.

2. Yes.

PAYMENTS TO APPLE GROWERS, ETC.

Mr. Kirk (Antigonish-Guysborough):

1. How much has the federal government paid by provinces, in each fiscal or calendar year, in the apple tree removal program?

2. How much has the federal government paid by provinces in each fiscal or calendar year, under the authority of the Agricultural Prices Support Act or otherwise, since 1945, to apple growers?

3. How much has the federal government paid out by provinces, in each fiscal or calendar year since the start of these payments, for feed grain freight assistance?

Mr. Gardiner:

1. The following gives the amount of apple tree removal payments by the federal government to Nova Scotia growers by fiscal year:

Fiscal Year	Amount
1942-43	$ 156,050
1943-44	107,370
1944-45	30,574
1945-46	33,766
1946-47	135,200
1948-49	1,500,000
1951-52	200,000

2. The following payments have been made by the federal government either as a net cost under the Agricultural Prices Support Act or by special grant of parliament to the

apple growers of Nova Scotia and British Columbia since the 1945 crop year.

Crop Year	Nova Scotia	British Columbia
1945	$ 58,407	—
1946	757,358	$ 73,084
1947	3,119,274	—
1948	1,487,882	44,651
1949	1,582,979	2,416,415
1950	300,000	1,200,000
1954	601,838	—

3. Amount of Money Paid Out by the Federal Government for Freight Assistance by Calendar Years Since the Start of the Payments

Calendar Year 1941 (October-December)

Province	Amount Paid in Freight Assistance
Ontario	$ 764,302.50
Quebec	720,721.68
New Brunswick	111,480.00
Nova Scotia	158,638.50
Prince Edward Island	19,294.60
British Columbia	135,096.06
	$ 1,909,533.34

Calendar Year 1942

Ontario	$ 3,319,231.50
Quebec	3,851,573.60
New Brunswick	691,965.00
Nova Scotia	909,662.40
Prince Edward Island	222,531.60
British Columbia	996,217.08
	$ 9,991,181.18

Calendar Year 1943

Ontario	$ 6,518,142.00
Quebec	5,523,277.30
New Brunswick	1,011,517.50
Nova Scotia	1,331,397.00
Prince Edward Island	425,055.20
British Columbia	1,432,696.28
	$16,242,085.28

Calendar Year 1944

Ontario	$ 5,862,208.50
Quebec	5,926,703.44
New Brunswick	954,495.00
Nova Scotia	1,346,414.40
Prince Edward Island	366,720.40
British Columbia	1,722,957.08
	$16,179,498.82

Questions

Calendar Year 1945

Province	Amount Paid in Freight Assistance
Ontario	$ 6,191,145.00
Quebec	6,117,941.48
New Brunswick	1,118,745.00
Nova Scotia	1,267,593.30
Prince Edward Island	372,444.00
British Columbia	1,758,328.51
	$16,826,197.29

Calendar Year 1946

Ontario	$ 6,738,853.50
Quebec	7,025,075.96
New Brunswick	1,270,837.50
Nova Scotia	1,497,382.20
Prince Edward Island	455,009.80
British Columbia	2,017,065.28
	$19,004,224.24

Calendar Year 1947

Ontario	$ 7,446,339.00
Quebec	7,314,739.32
New Brunswick	1,292,107.50
Nova Scotia	1,395,095.40
Prince Edward Island	409,442.40
British Columbia	2,182,894.98
	$20,040,618.60

Calendar Year 1948

Ontario	$ 6,445,528.15
Quebec	7,055,225.10
New Brunswick	1,136,582.45
Nova Scotia	1,433,364.70
Prince Edward Island	449,588.75
British Columbia	1,806,918.91
	$18,327,208.06

Calendar Year 1949

Ontario	$ 5,419,655.16
Quebec	6,591,132.47
New Brunswick	844,150.40
Nova Scotia	1,302,420.40
Prince Edward Island	355,257.30
Newfoundland	232,808.94
British Columbia	1,503,139.89
	$16,248,564.56

Calendar Year 1950

Ontario	$ 4,785,376.52
Quebec	6,845,156.36
New Brunswick	896,798.10
Nova Scotia	1,420,497.20
Prince Edward Island	352,869.20
Newfoundland	316,703.18
British Columbia	1,296,189.28
	$15,913,588.84

Questions

Amount of Money Paid Out by the Federal Government for Freight Assistance by Calendar Years Since the Start of the Payments—Concluded

Calendar Year 1951

Province	Amount Paid in Freight Assistance
Ontario	$ 4,374,335.27
Quebec	7,191,326.67
New Brunswick	981,344.00
Nova Scotia	1,494,235.60
Prince Edward Island	348,339.30
Newfoundland	283,609.35
British Columbia	1,567,955.83
	$16,241,144.02

Calendar Year 1952

Ontario	$ 5,151,750.93
Quebec	8,407,426.77
New Brunswick	1,156,150.40
Nova Scotia	1,625,982.60
Prince Edward Island	409,976.50
Newfoundland	378,087.61
British Columbia	1,724,466.33
	$18,853,841.14

Calendar Year 1953

Ontario	$ 4,693,236.87
Quebec	7,395,317.95
New Brunswick	1,014,703.40
Nova Scotia	1,581,954.15
Prince Edward Island	367,892.30
Newfoundland	327,129.71
British Columbia	2,226,071.39
	$17,606,305.77

Calendar Year 1954

Ontario	$ 4,785,028.47
Quebec	8,288,560.83
New Brunswick	1,060,192.20
Nova Scotia	1,714,144.20
Prince Edward Island	235,050.90
Newfoundland	394,723.44
British Columbia	2,577,020.18
	$19,054,720.22

Calendar Year 1955

Ontario	$ 927,694.37
Quebec	1,770,137.71
New Brunswick	234,142.40
Nova Scotia	416,516.10
Prince Edward Island	73,123.40
Newfoundland	64,036.68
British Columbia	275,430.35
	$ 3,761,081.01

[Mr. Gardiner.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN STANDARDS ASSOCIATION

Mr. Knight:

1. What is the Canadian Standards Association?
2. What is its function?
3. Are the activities of this association under the direct supervision of a government department?
4. Has it branch offices in European countries? If so, where?
5. Does it inspect, in Europe, potential imports to Canada?
6. If so, where are such inspections made, and are such inspection points or offices open the year round so that decisions may be made without delay?
7. What are the classes of goods with which this association deals?
8. Is permission to export certain goods dependent upon the result of its inspection?
9. What is the source of the funds necessary to carry on its operations?

CANADIAN BROADCASTING CORPORATION

Mr. Hamilton (Notre Dame de Grace):

1. For the Canadian Broadcasting Corporation establishments in Edmonton; Lacombe; Regina; Watrous; CBO Ottawa; Chicoutimi; Quebec city; Sydney; and Windsor, Ontario: (a) how many people are employed at each station; (b) what is the total amount of salary paid at each station; (c) what is the total cost of operating each establishment for 1954; (d) how many hours per week, on the average, of live programming originated on each of the above establishments in 1954?

2. (a) For all CBC stations in Canada, what were the total hours of recorded music originated in such stations and broadcast only over their individual stations; (b) for all CBC networks in Canada what were the total hours of recorded music carried on such networks in 1954?

MOTION FOR PAPERS

PUBLIC WORKS—REMOVAL OF OFFICE FROM NEW WESTMINSTER, B.C.

Mr. Green:

For a copy of all correspondence and telegrams passing between the Department of Public Works and the New Westminster city council and the New Westminster board of trade, during the last six months, concerning the removal of the office of the Department of Public Works from the city of New Westminster to the city of Vancouver.

JUDGES ACT

AMENDMENTS TO INCREASE SALARIES, PROVIDE FOR JUDGE IN NORTHWEST TERRITORIES, ETC.

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to amend the Judges Act to increase the salaries of judges of the Supreme Court of Canada, the Exchequer Court of Canada and the superior and county courts of the provinces; to increase the number of judges for the British Columbia court of appeal and the supreme court each by one; to provide for a judge for the territorial court of

the Northwest Territories; and to provide certain adjustments as to pensions of judges and widows of judges.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

NATIONAL DEFENCE

REFERENCE TO PUBLIC STATEMENTS BY SENIOR OFFICERS

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to ask a question of the Prime Minister. In view of the impression that has been left by a statement of a senior officer of the Royal Canadian Air Force last Thursday, will the Prime Minister consider the advisability of making a statement on behalf of the government in relation to the extraordinary statement that was contained in that speech last Thursday, that war is inevitable and that the western powers are anxious and willing that such an event should take place?

I believe that it would be highly desirable that the Prime Minister give a statement in relation to this, in view of the various comments that have been made by different officers associated with the general staff, and also comments that have appeared across Canada since that speech was made.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I had a discussion of the matter this morning with the Minister of National Defence. He has prepared a statement which I have seen, and with which I am in full agreement. Perhaps he might now make it to the house.

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, in reply to a number of questions that were addressed to me on Friday last, with regard to the speech to which the Leader of the Opposition has just referred, I might say that during the course of the week end I had an opportunity to inquire fully into the circumstances of the speech of Air Vice Marshal Plant, to which reference has been made.

It would appear, as hon. members will have noted from subsequent press comment, that Air Vice Marshal Plant's address was really cast in an entertaining and humorous vein and was so interpreted by almost all those who heard him speak.

Some of the remarks as quoted in the press the air vice marshal admits having made, but states that in the first reports they

were removed from their context. Nevertheless, in any event they were in my opinion highly inappropriate as coming from a service officer. Notwithstanding the reportedly facetious nature of the air vice marshal's remarks, and in order to remove any doubts regarding the continuation of tri-service co-operation on policy matters, I have decided to accept the recommendation of the chief of the air staff that Air Vice Marshal Plant relinquish his present position as air member for technical services where, as well as being an adviser to the chief of the air staff, his duties include dealing with and serving on tri-service committees. He will take over the position of air officer commanding air materiel command of the Royal Canadian Air Force, a position which is not concerned with tri-service policy matters but which will utilize to the full his unquestioned ability and experience in the technical field. He will take over this command from Air Vice Marshal H. B. Godwin, who had already been selected for another appointment.

I am also preparing for issue to the chiefs of staff of the three services instructions governing future public statements by members of the armed forces.

Mr. Drew: Mr. Speaker, I would point out that the statement which has just been read by the Minister of National Defence does not deal with the points that I placed before the Prime Minister. There was nothing either entertaining or humorous in the statement that war is inevitable and that the western powers are anxious and willing that this should come. In no statement now made by the Minister of National Defence is there any reference to these statements. I can understand the problem raised by one member of the tripartite service committee making a statement which would be inconsistent with what was put forward by other members of the committee; but I believe that what is much more serious is the public impression conveyed by the senior officer on the planning staff in regard to the subject which is perhaps uppermost in people's minds, namely, the likelihood or unlikelihood of war. I think we must have regard to the fact that a statement was made that would be taken very seriously outside of Canada. I would ask the Prime Minister to deal with those statements.

Mr. St. Laurent: I think the whole question has been dealt with in a very effective manner, and in a manner that will prevent the recurrence of any statements of that kind being made in any kind of a speech, whether it be intended to be serious or facetious. I think it is quite inappropriate for a high ranking officer to make, even in a speech

not intended to be taken seriously, statements that could, if removed from their context, give the impression that was given by the first reports of the speech that was made last week.

I think it is indiscreet, even when one is attempting to speak as we sometimes do at the press gallery dinner, to make statements of that kind when they can be reported and when they can cause the kind of anxiety that has been caused by the report of this speech. I am sure it is appreciated by most officers that that is most unfortunate and the action being taken by the Minister of National Defence will be effective in bringing about a situation where there will be more care taken about the possible effects of what might be by some—and what I gather from subsequent reports was by most of those who were there—felt to have been a very amusing, witty speech. Some of the language in which it was reported would not be the language that a high-ranking military officer would use in making statements that were intended to be taken seriously.

Mr. G. R. Pearkes (Esquimalt-Saanich): May I ask the Minister of National Defence a supplementary question? Will the minister make a statement on government defence policy in the near future so that members of this house and senior officers of his department may be aware of the changes which must inevitably have been introduced to policy through the emergence of the nuclear bomb, which have been introduced since the last statement on government policy?

Mr. Campney: Mr. Speaker, in answer to the hon. member, I may say that I expect that my estimates will be before the house very shortly and I shall be glad then to make a statement.

FLOODS

SASKATCHEWAN—REQUEST FOR STATEMENT ON FEDERAL AID

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. Can the Prime Minister make a statement in respect to what action the federal government contemplates in connection with the two Saskatchewan government representations that the flooded areas in Saskatchewan be declared a national emergency?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not wish to quarrel with the exact terms of the hon. member's question, but there had never been representations made that an area be declared an emergency. As a matter of fact, when matters occur which constitute a disaster of such proportions that this government recommend to parliament that assistance be extended to those who suffer from the disaster, it is not a declaration of a national emergency; it is a declaration of a catastrophe of such magnitude that it is felt that all the taxpayers of Canada would feel it was proper for them to make some contribution to relieving the situation. That matter is still under consideration, and when a decision has been arrived at the proper recommendation will be made to parliament.

Mr. McCullough (Moose Mountain): Mr. Speaker, may I ask a supplementary question? Would the Prime Minister, in view of the emergency, give us some idea as to when the government will make such a decision?

Mr. St. Laurent: The government is considering the situation, and the government at this time does not regard a decision as urgent. The government is informed that the things that should be done at once are being done under the aegis of the provincial government, and what we will have to decide will be whether or not the situation requires a recommendation to parliament that funds—not the funds of the government, but funds of the whole body of the taxpayers of Canada—should be used to help alleviate the situation which has arisen. Of course, for those who are the sufferers it is serious. Even when there is only one sufferer from a disaster of importance, it is serious for him; but I read a very interesting forecast in the *Globe and Mail* this morning of what is apt to be the general situation throughout the province, and I hope—as I am sure the hon. member also hopes—that the forecast will be realized in the province at large.

[*Later:*]

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, may I ask a supplementary question of the right hon. Prime Minister in connection with the answer he has just now given to the hon. member for Moose Mountain? Does his answer apply with equal force to farmers in Manitoba who have suffered flood damage?

Mr. St. Laurent: Mr. Speaker, I read in press reports this morning that the Minister of Agriculture had stated that he was gathering information for the purpose of submitting a request to the federal government, but that request has not yet been submitted. Of course, the government's endeavour will be to treat Canadian citizens anywhere in the

manner that was adopted when the government recommended that assistance be extended in connection with the Fraser river flood or the Red river flood.

ATOMIC ENERGY

REQUEST FOR STATEMENT ON CONSTRUCTION OF POWER PLANT

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): On Friday last the Minister of Trade and Commerce undertook to give the house a statement concerning the plan for the construction of a nuclear power reactor by the dominion government in conjunction with Ontario hydro and Canadian General Electric Company. Could he give that information today?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, in looking into this matter I find that I made a comprehensive statement on that subject on Thursday, March 24, to be found at pages 2329 and 2330 of *Hansard*. I may say that the announcement by the province of Ontario had to do with the location of the project. As the site is being purchased by the province and as the building and conventional part of the installation as well as the operation of the power plant is the responsibility of the province, it is considered that the province should take the lead in determining where the project will be located. The location suggested by the province has been found suitable by this government and the atomic plant will be built in the vicinity of the Des Joachims power installation on the Ottawa river.

Mr. Green: Could the minister tell the house the amount of money that will be expended by the dominion on that plant, and also whether there are any other nuclear power stations under contemplation at the moment?

Mr. Howe (Port Arthur): I shall answer the last question first. This is a demonstration power station in which all power authorities throughout Canada, both public and private, have been asked to give their co-operation, and they are doing so as to design and structural detail. Participation in this project will be the government's contribution to the power industry, as far as the introduction of nuclear power is concerned. As I recall the arrangement, the government is doing the nuclear part of the installation only, aided by some financial contribution from the contractor. I believe our contribution lies between $7 million and $8 million, spread over a period.

Mr. Green: About half the total cost?

Mr. Howe (Port Arthur): About that.

PRAIRIE FARM REHABILITATION ACT

INCREASE IN AMOUNT THAT MAY BE EXPENDED ON MINISTERIAL AUTHORITY

Right Hon. J. G. Gardiner (Minister of Agriculture) moved the third reading of Bill No. 5, to amend the Prairie Farm Rehabilitation Act.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I intend to speak for a moment in regard to the amendments that are proposed in the bill now before the house on third reading. One of the things I wanted to suggest on this occasion has been answered in part by the Prime Minister in his remarks of the last few minutes. The other day during the course of the discussion on P.F.R.A. in committee, as I recollect it, the Minister of Agriculture stated that diking and drainage of the areas in question did not come within the ambit of the P.F.R.A. as it now stands.

I feel that the Prime Minister's statement today will be regarded with considerable disappointment throughout the prairie provinces particularly in Saskatchewan and Manitoba. I hope I did not misinterpret the viewpoint that he expressed, but inherent in his words was the indication that postponement of acceptance of national responsibility is now the attitude of the government. P.F.R.A., in any amendment at the present time, having regard to the serious conditions prevalent on the prairies, should include a power to meet the draining and diking that will be necessary in large areas in the provinces. The Prime Minister mentioned an article in this morning's *Globe and Mail* presenting a rather hopeful appearance as to the future in these areas, but I would point out once more that the best opinion in the prairie provinces is to the effect that 8,000 farmers, who operate one million and a half acres of land, will be unable to seed them this year. A thousand others farming two million acres can only partially sow the acreage in question.

Mr. St. Laurent: Would the hon. member permit me to say that I did not intend to give the impression that those whose lands were now under water would not remain seriously affected. The article to which I referred was one treating with the over-all situation in the province and suggesting that the conditions which had brought about the disaster where the land is still under water might have a beneficial effect for the economy of the whole province which would compensate for the losses. I was careful to add that that did not remedy the situation of the individual who suffered damage.

Mr. Diefenbaker: The Prime Minister mentioned that each individual might consider the situation a disaster with relation to himself, but left the impression that in general, taking the areas in question affected, the whole area might not come within the purview of a disaster area. I had hoped that by this time a decision would have been made on this question and that parliament would have been given an opportunity to place in the hands of P.F.R.A. the responsibility to do the necessary ditching and diking to meet the situation as it is today and also the situation that would arise in the event of a recurrence in future years. Such a recurrence is certainly within the realm of possibility, because of the effects of years of drought and also of mechanization, both of which conditions have contributed to the problem of erosion with the consequent dangers that have become apparent this year. Under this measure I wanted to suggest that there be evolved a federal plan, in co-operation with the province, for draining and diking; for certainly, according to recent estimates that have been made, the immediate drainage needs will cost $4,643,000, something that cannot and should not be met by the province but rather should be met in a joint contribution with the federal authority assuming at least 75 per cent of the amount.

If I might, I should like to put forward one further suggestion. As a further means to meet that problem there should be made available direct federal relief to these farmers who have suffered permanent damage, in order to tide them over until fall. The situation is not an individual one in which the individual regards himself as being in the throes of a disaster but is in fact one of the most serious things that has happened to the western economy in several years.

Having said that, I wish to repeat once more our objection to increasing the authority of the minister from $10,000 to $15,000 on contracts under this act. We feel that, while the act should be extended to meet an increasing field of responsibility, nonetheless the power of the minister, under the circumstances to which reference was made the other day, should not be increased and that no harm or delay will result from the need of having contracts over $10,000 being accepted by the governor in council.

I want to make one other reference because, when speaking in the house I have always aimed to place facts before the house, and the facts are unchallengeable as far as I am concerned. However, the other day in the course of my remarks I made a statement that Mr. Austin Dewar was public relations officer of P.F.R.A. and the Minister of Agriculture stated that such was not a fact. No one has brought this matter to my attention, but I checked afterwards and I found out that I had been in error in that regard. How I came to be in error will be shown by the following facts. Reports appeared in the various western papers of a meeting of a group of Liberals in Prince Albert on March 7, presided over by Dr. Partridge, the retiring or retired president of the Saskatchewan Liberal association which had brought representatives from northern Saskatchewan, a number of whom had been former members of the legislature. I am not going to go into what they dealt with on that occasion because it is no part of our discussion in the house. But during that discussion one reference was made to the fact that P.F.R.A. had become, in effect, the personal not puppet but instrument of the Minister of Agriculture. Then this appears in the record, and from what I now read it will become apparent where my error came in. The article referred to the Gardiner machine and then said this:

> The delegates went on record as favouring an immediate explanation by the leader himself—

That is Mr. McDonald.

> —as to the events which led to the appointment of Sam Carr—

That is the secretary.

> —and the subsequent difficulties and pressure that both had been under to re-introduce Glen Bruce into the office. It was also emphasized that Glen Bruce would not be acceptable as provincial secretary,—

That is where the mistake came in on my part.

> —nor would Austin Dewar, a former public relations "expert" under the Gardiner machine—

That is where my mistake came in. I read that with reference to an earlier reference that P.F.R.A. was part of the Gardiner machine. Then the article went on to say this:

> —or Dick Bird, the previous secretary to Bruce, and a former campaign manager for Gardiner.

When I stated the other day—

Mr. Gardiner: Mr. Speaker, may I be allowed to interrupt on a matter of personal privilege? I would judge that my hon. friend is going to say that his previous statement with regard to Mr. Dewar is incorrect.

Mr. Diefenbaker: That is what I am going to say.

Mr. Gardiner: I want to say to my hon. friend that the statement with regard to everyone in the report he is reading from is incorrect. I am not sure any of those remarks were ever made at the meeting.

There is not any such man that I know of as Dick Bird, for example. There are many other incorrect statements in the report. There is no truth in them at all.

Mr. Diefenbaker: There is another Bird; apparently it is not Dick Bird but some other Bird that occupied a similar position. I am just reading from this article and explaining that when I stated that Austin Dewar was a public relations official of P.F.R.A., that statement was based on a misapprehension arising from the article in question and I want to clear that up.

Mr. Gardiner: In that article it does not even say what my hon. friend is saying he did not say.

Mr. Diefenbaker: My right hon. friend has apparently studied this article. I am not reading the whole thing. If my hon. friend wants to have it read, I will certainly see that it is read. But the reference was made in the manner I have indicated in that article and in the other articles to which I made reference. As far as Austin Dewar is concerned, his position apparently is that of one of the officials of P.F.R.A., but he is not in the nature of a public relations official and I want to clear that point up and to clear it up without any doubt. I do not want to leave with regard to anyone any impression that is not in accordance with the facts. But nonetheless, he occupies a position of responsibility and one to which I am going to make further reference. The rest of the criticism I made the other day is still as effective as it was, regardless of whether he occupied a position such as that or the general position with the general functions to which the right hon. gentleman made reference.

Mr. Gardiner: Now that my hon. friend has started to clear the matter up, I think we should have it cleared up completely. The statement made by my hon. friend was that this man had been appointed a public relations official. The statement now read says that at one time he was a public relations expert to my machine.

Mr. Diefenbaker: No; it does not.

Mr. Gardiner: It does not say that he is now.

Mr. Diefenbaker: No. It says he was a former public relations expert under the Gardiner machine.

Mr. Gardiner: Yes; "former". It does not say anything about what my hon. friend is talking about, namely what he is now.

Mr. Diefenbaker: Oh, that is a play on words. Let us have none of that play on words. That indicates that he had the position—

Mr. Gardiner: That does not justify the statement made the other day by the member for Prince Albert at all in any sense.

Mr. Diefenbaker: It justifies every word of that statement. But I did want to clarify the fact that he had not the position with P.F.R.A. and that reading "machine" with "P.F.R.A." in the earlier context it is understandable why I felt that the machine and P.F.R.A. were synonymous. Having said that, I turn once more to the bill in question. Without repeating previous arguments, I move, seconded by the hon. member for Brant-Haldimand (Mr. Charlton):

> That Bill No. 5 be not now read the third time but that it be referred back to the committee of the whole with instructions that they have power to delete subsection 2 of section 1 of the said bill.

Mr. Gardiner: Question.

Mr. Speaker: I do not know if the discussion has terminated on this motion, but I should like to point out to the hon. member for Prince Albert that the amending bill has two clauses, the first one of which says that subsection 2 of section 9 of the Prairie Farm Rehabilitation Act, chapter 214, is repealed and another subsection substituted therefor. The second clause says that sections 10 and 11 of the said act are repealed. We are dealing there with the repeal of sections. According to the amendment the only clause which will be at all new if the bill is enacted is to be deleted in committee of the whole. Is this not an expanded negative? Could the hon. member not obtain the same objective by simply voting against the bill?

Mr. Diefenbaker: No.

Mr. Speaker: I may be wrong, and I do not want to argue the point at the moment. I am merely submitting these observations to the hon. member. I will listen to other speeches and in the meantime will examine the point further, but if the hon. member wants to say anything in reply to what I have said I would be very glad to hear him.

Mr. Diefenbaker: There are two portions to the bill before the house. The first clause has to do with increasing the jurisdiction of the minister from $10,000 to $15,000 so far as expenditures are concerned. The second clause has to do with the repeal of sections 10 and 11 of the act. In other words, the bill before the house has two sections. The first one provides for an increase in power and the second provides for the repeal of

certain sections. As far as we are concerned if we were to vote against third reading of the bill as a whole we would be voting also against the repeal of sections 10 and 11, to which we have no objection.

Mr. Zaplitny: Mr. Speaker—

Mr. St. Laurent: Is the hon. gentleman going to speak on the point of order?

Mr. Zaplitny: No.

Mr. St. Laurent: Perhaps the hon. member for Prince Albert would agree that the first part of clause 1 of the bill should also be deleted. If subsection 2 is to be deleted then perhaps they should have the power to delete clause 1 of the bill. Clause 1 only enacts subsection 2 of section 9.

Mr. Diefenbaker: Yes, it could be the whole section.

Mr. St. Laurent: It would be the whole clause 1 of the bill if instructions were to be given to the committee of the whole.

Mr. Diefenbaker: What the Prime Minister says is entirely correct. It would be with instructions that they have power to delete clause 1 of the said bill in its entirety.

Mr. Speaker: By unanimous consent the amendment could be amended to read as just indicated by the Prime Minister and agreed to by the hon. member for Prince Albert.

Mr. St. Laurent: The hon. gentleman agrees with me and I agree with him. Section 2 deals with another matter.

Mr. Speaker: So the amendment will then read:

. . . that they have power to delete clause 1 of the said bill.

Mr. Diefenbaker: That is right.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I rise at this time to discuss the phase of the bill having to do with the increase from $10,000 to $15,000 in the amount that may be spent under ministerial authority. I do so because I want to take up a specific matter having to do with government policy, which it appears to me has been undergoing changes by ministerial authority. The matter concerns the expenditure of moneys under the act for the payment of P.F.R.A. engineers where their services are requested by the provinces. Apparently it was the policy of the government until recently that, when a province requested that a survey be made to determine whether a certain project to be undertaken under agreement with the federal government was economical and a proper project, the expenses of the engineers making the survey were paid by the federal government.

[Mr. Diefenbaker.]

Somewhere along the line a change has come about, and now the minister has informed the provinces that if they ask for P.F.R.A. engineers to make a survey prior to determining whether or not a certain project is suitable they will have to pay the cost of the engineers. From two points of view this is a serious matter so far as my province is concerned. In the first instance, as I have already mentioned on other occasions, the province of Manitoba has received a very small percentage of the total expenditures under P.F.R.A. and proportionately also a small percentage of the total expenditures made outside of the act by agreement under special votes of the house.

In addition, we now find that if the government of Manitoba, for example, wishes to investigate the possibility of building control dams in the Riding mountain area or the Duck mountain watershed area, something which has been under discussion for a considerable length of time, or if the province of Manitoba proceeds to investigate the feasibility of lowering lake levels in lakes such as lake Dauphin, lake Manitoba and even lake Winnipeg in order to prevent flooding by water backing up from the lakes on the farm lands near these lakes, it may find it will be saddled with the total cost of making such surveys whereas in the past it was able to call upon the federal government to assist at least to the extent of lending their P.F.R.A. engineers to do the job.

I raise the matter at this time because in my opinion the change of policy is a very unfortunate one. The province of Manitoba has experienced three years of floods one after the other. The other day the hon. member for Portage-Neepawa (Mr. Weir) raised the question in the house. Other members have raised it from time to time. I have raised it on numerous occasions. The province of Manitoba is attempting to find some way to alleviate the condition. It is attempting to find methods by which the flood waters may be controlled, particularly so in the Riding mountain and Duck mountain watershed areas, with which the minister is very familiar.

Now, if they are faced with the proposition that if they request that a survey be made by P.F.R.A. engineers they will have to pay the full cost of such survey, and then after a survey has been made the federal government decides it is not in the public interest or it is not the proper time to proceed with such a project or for any other reason may decide to postpone indefinitely plans for the project, the result is nothing but a net loss to the province to the extent of the cost of

such a survey. I would hope that the government would see fit to return to a policy which was in operation until recently. I have no information as to the exact time at which this policy was changed because apparently it was an internal decision that was not announced publicly to my knowledge. I do not believe it was announced in the house. The announcement was made in a letter from the federal Minister of Agriculture to the minister of agriculture for Manitoba, dated February 27, 1954.

I would hope that in view of the difficult position in which Manitoba finds itself, particularly in the northwest portion of that province where we have been battling flood conditions for three years, the government would return to the original policy of providing at least that much assistance by lending engineers, at federal government costs, to undertake legitimate surveys which may result in public works projects or P.F.R.A. projects in the future to alleviate these conditions. That is one of the matters to which I wished to direct the minister's attention. The other question has to do with liaison between government departments that expend money for this purpose.

In the same letter to which I have referred the federal Minister of Agriculture expressed his satisfaction to the minister of agriculture in Manitoba with the fact that such works having to do with improvements, reclamation or flood control would be channelled through the provincial minister of agriculture in Manitoba. Incidentally, may I say that I approve of that situation also. I feel that in the past some difficulty has been encountered in trying to find out just who is responsible. In the same letter the federal Minister of Agriculture referred to the request of the provincial minister of agriculture in Manitoba and stated that in so far as the works in the Riding Mountain national park area were concerned, for example, another department of government would be involved. This would be the Department of Northern Affairs and National Resources, of course. It is quite proper and legitimate that this department would have to be consulted. At some stage I should like the minister to state quite clearly in the house whether the same policy will be followed at this end as is being suggested in Manitoba, that is that all such works as have to do with flood control affecting agriculture will be channelled through the federal Minister of Agriculture.

This is important to us in Manitoba because, whenever a request for such projects is made at the municipal or provincial level, a question has often been raised as to the authority in the federal government through which these requests should be channelled. I would hope the federal Minister of Agriculture would be the liaison minister for all departments that have to do with such projects and that he, in turn, would deal with the ministers of agriculture in the various provinces. In that way an orderly method of dealing with these matters would be established.

Personally, I would have no objection to seeing the ministerial authority increased from $10,000 to $15,000, provided that the expenditures are handled expeditiously and efficiently. Whether or not they are, I shall leave to the members from Saskatchewan who have raised the question so far. My purpose is not to enter into any dispute as to whether political appointments have been made. I would rather leave that to a future occasion, if it arises. So far as my own constituency is concerned and my own province, we are interested chiefly in knowing whether the government is inclined to return to its policy of assisting the provinces in making surveys, to the extent of paying the full costs of P.F.R.A. engineers. Secondly, we are interested in knowing whether the federal government is prepared to enter into further agreements with Manitoba for certain flood control projects.

May I draw the attention of the minister to the fact that the letter to which I have made reference is dated February 27, 1954. I asked for a return of correspondence, which was brought down in recent weeks, but apparently there has been no further exchange of correspondence on the subject since that date more than a year ago. In the letter from the Manitoba minister of agriculture to the federal minister, which is dated January 19, 1954, we find this closing paragraph:

> I am informed as well that the province, in the past, entered into an annual agreement with your department in respect to P.F.R.A. undertakings. I believe that it would be necessary in the interests of our two respective governments to complete an annual agreement at the earliest possible date in order to facilitate this year's program.

That was written on January 19, 1954.

Mr. Gardiner: The 1954 program has already been agreed upon and carried out. I should like to say by way of explanation that probably a great deal of what took place following that letter took place through interviews between the minister and myself, either when I was in Manitoba or when he was here.

Mr. Zaplitny: That may explain the reason for the lack of further correspondence on the matter.

May I draw the minister's attention to the fact that we are now in 1955? I hope that some rather extensive projects are being planned at this time. While I am in complete sympathy with and fully support the requests that have been made for projects to alleviate the situation along the Assiniboine valley, I must bring to the attention of the minister the fact that we in northwestern Manitoba have gone through that same situation for the third year in a row. We have a very serious situation there that will require some major projects. I would hope the minister would be in a position to announce that further agreements have been entered into between the federal government and the province with respect to 1955.

Mr. Daniel McIvor (Fort William): I should like to ask the minister three questions. Perhaps the minister will say whether or not all the sections of this bill were passed in committee of the whole, and if they were so passed is it likely they will be passed again? Secondly, can the house instruct the committee of the whole on what it is to do with any bill? Thirdly, can any new matter be introduced into a debate on third reading of the bill?

Mr. H. R. Argue (Assiniboia): When the debate on this bill took place a week ago, my leader at that time expressed opposition on behalf of the C.C.F. party. Our opposition is to clause 1, as it reads in the bill that is before us. I want to agree with the statement made by the hon. member for Prince Albert (Mr. Diefenbaker). Under this legislation the situation in western Canada, as it is now, calls for the undertaking of works to provide drainage wherever such drainage is needed and the project is feasible. Certainly with the serious flood situation on the prairies we are hopeful that this act may be used to the fullest possible extent to prevent such damage recurring in the future.

I want also to make some comment on the statement made by the Prime Minister (Mr. St. Laurent). I hope his statement does not mean that the government is not as sympathetic to this matter of awarding damages as it was some weeks ago. I think it should be pointed out that, even though the weather stays dry every day for the next month, and seeding goes on to the greatest possible extent under dry conditions, nevertheless there will be many farmers in sections of that province who will be unable to complete their seeding operations. There will be substantial areas of land under water; and it has been estimated that the damage to roads resulting from the flooding already amounts to many millions of dollars.

[Mr. Zaplitny.]

Just as in the past neither the Winnipeg flood nor "Hurricane Hazel" crippled the economy of either Manitoba or Ontario, so the serious flooding in Saskatchewan may not to any greater extent cripple the economy of Saskatchewan. But the flooding in that province has created a situation that should be considered a national emergency by the government, just as it has considered other situations as national emergencies. I believe when the information is all in it will be found that the extent of the damage in western Canada this year will exceed any damage that has taken place on any previous occasion when the federal government has paid compensation. Even though the grain economy may recover, I believe compensation should be paid.

The other part of the bill would delete sections 10 and 11 of the Prairie Farm Rehabilitation Act. When the debate was in progress before, I was afraid that this provision might result in the government's discontinuing the practice of leasing land and purchasing machinery where such was necessary to carry out the purposes of the act. We have had an explanation from the minister, and the assurance that, even with those sections deleted, there is sufficient power under the act, as governed by the Financial Administration Act, to undertake the leasing of land and the purchasing of machinery, where such might be necessary.

I think it is correct to point out however that clause 2 in the bill was not asked for by the minister; and from his statement of a week ago it is doubtful whether he is anxious to see clause 2 put into legislative form. It is clear to me, and I think it will be clear to the country, that clause 2 in the bill is a further effort by the minister's colleagues to whittle down his authority in the leasing of land and the purchasing of machinery. It would appear to me as a provision placed in the bill by the Prime Minister with a view to slowing down and governing at least to some extent the Gardiner machine, which has become a pretty notorious thing.

Mr. E. G. Hansell (Macleod): Mr. Speaker, perhaps the minister would not mind delaying his final speech until we have something on the record in respect to this matter.

I looked in *Hansard* to see what was said on May 30 by the hon. member for Acadia (Mr. Quelch), in speaking for this group. Perhaps I might quote from page 4245 where he said this:

> All the expenditures that have been made in that area—

And he was referring to his own area.

> —have been wisely made. We feel that the people have received full value for the money expended.

Therefore, I am not prepared to oppose this bill. The increase from $10,000 to $15,000 does seem reasonable and in line with the general increase in costs throughout the country.

The attitude of this group is the same today as it was then.

I am not going to make any extended remarks, but I would point out that the hon. member for Acadia did say there might be some difference in administration between P.F.R.A. in Saskatchewan and P.F.R.A. in Alberta. However, he did say that Alberta seemed to be satisfied.

Increases in costs of projects have taken place over the past few years, and in all probability costs today are perhaps half as much again as they were a few years ago. Therefore by giving the minister authority to pass on projects of $15,000 we are not necessarily giving him any more authority than he had a few years ago in connection with projects requiring the expenditure of $10,000. I think, therefore, for this reason the bill could be accepted, and I do not see how we could support the amendment.

Hon. members who have taken part in this and other debates have referred to the state of devastation in Saskatchewan as a result of the floods. I passed through that province a few days ago and I know the situation is serious. We would have to support our Saskatchewan friends in their desire to have assistance granted to the farmers of that province. At the same time I believe I would have to agree with the Prime Minister's statement this afternoon when he said that, after all, anything of that nature would have to come out of the over-all taxes of the country, and that unless it is a case of a national emergency, which would warrant such action, it should not be done. If we can conclude that the flooding has reached the proportions of a national emergency, then of course I would agree that something should be done.

Mr. Argue: On the basis of his observation of the disastrous conditions in Saskatchewan, would the hon. member say that those conditions warrant its being termed a national emergency?

Mr. Hansell: I cannot answer that question definitely. The part of the province I passed through looked very bad. However I did go through the northern part and did not see very much flooding there.

When we are dealing with the matter of giving assistance to people in circumstances of this kind we must be careful how far we go. I say that because I have a problem in my own constituency, one which affects the coal miners. I am not going to discuss the subject here, but I would point out that in that industry the coal miners are being laid off. They cannot find work because of certain conditions that have been brought about not through any fault either of their own or of the coal-mining industry, but purely because we have been making progress over the years. We might reasonably come to the government and say: This is an emergency; why can something not be done about it? Where are we going to stop in this matter of emergency? However, I do say—

Mr. Argue: You are out of character.

Mr. Hansell: Well, I want to be reasonable all the way around. I like to pull for my people and get all I can for them just as others do. I tell the hon. member for Assiniboia that I am right behind him. If this thing is needed in the province of Saskatchewan—

Mr. Argue: And it is.

Mr. Hansell: —to any great extent, then something should be done. However, as far as the amendment is concerned, Mr. Speaker, because of our previous pronouncements on the bill, I do not see that we can reasonably support it.

Mr. W. D. Wylie (Medicine Hat): It is not very often that I take up the time of the house, but it must be realized from previous speeches I have made in this house that Medicine Hat is in one of the drought areas where the Prairie Farm Rehabilitation Act has done a wonderful job. I am very happy to see this bill which increases the expenditure from $10,000 to $15,000. We know to what extent prices have gone up; we know what it costs to put in a dam today that cost us $5,000 a few years ago.

This bill is necessary. It is not meant to deal with an emergency. It gives the minister authority to spend up to $15,000 on some of these smaller projects. I am well aware of that. In the southeastern corner of the province, which is one of the driest areas in Canada, much drier than the area of the hon. member for Assiniboia, I realize quite well what it will mean. I have a long experience in that area. I was a field man for the provincial department of agriculture in 1936, 1937 and 1938. I know the conditions there. I certainly know what the Prairie Farm Rehabilitation Act has done. I have backed up the minister as far as I could, and I shall continue to do so.

As I said before, this bill is not meant to deal with an emergency situation. It authorizes the minister to spend up to $15,000. A few years ago it was $10,000. I think I am right in saying that. I am very happy

to support the minister on this bill. I will support him all the way through on it, since I come from one of the driest areas of Canada where the Prairie Farm Rehabilitation Act really does mean something.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker—

Mr. Speaker: If the minister speaks now he will close the debate.

Mr. Gardiner:—I had not intended to say anything when I came into the house, and probably I would be wise if I did not say anything now in view of the very kind remarks just made by the hon. member for Medicine Hat (Mr. Wylie) and the previous speaker. However, in view of some of the remarks made by one or two other speakers, I do not know how I can resist the opportunity to say something.

As has been suggested by a number of those who have spoken, and as I said on second reading, I had the authority when this act was first enacted to decide on projects up to $5,000. There was a reason for that, the reason given by me and by others at the time, which was in 1939. The reason given was that in an area of Canada such as ours west of Winnipeg, where the winters are long and the summers are short, if you have to wait for every contract, no matter what its size, to go through all the process of being considered, first by officials, then being taken to the treasury board and being considered by them and then taken to council and considered by them, half the summer would be over before you got a decision at all on the small jobs. Therefore they decided, after more discussion than has taken place so far on this measure, the minister, no matter who he was—and they thought he was then just as much a machine politician as apparently some people do now—should have that authority. Well, then, we came along to a later period. I have forgotten exactly when it was but it was half way between then and now. They said that $5,000 was not enough for the same reason. They raised it to $10,000 and I have been operating under that. Now, they come along and, for the very reasons recited in the last few moments, say that $10,000 was all right the last time we dealt with it, but it is not good enough now. It must be $15,000 because of the higher cost and for other reasons in connection with it. Therefore, it is suggested that the amount be $15,000.

Some of my hon. friends from the province of Saskatchewan who try to make it appear that they want to be very helpful to the people out there in these difficult circumstances want to say that because Gardiner has always been a machine politician we are not going to let him decide whether or not they are to have this help up to $15,000; we are just going to stop it. Well, I want to say for the benefit of those who do not know—and apparently there are not very many in this house from Saskatchewan who have looked over the problem—the greater part of the problem is in my constituency. The only member from where the real problem exists who has spoken of it is the hon. member for Qu'Appelle (Mr. Mang), whose constituency is immediately south of mine. The Qu'Appelle river is the boundary line between our two seats. He outlined to this house on the second reading of the bill the reasons why we are spending money in the Qu'Appelle valley and what the flood conditions are there. There are places in the Qu'Appelle valley where water is nine feet higher than it ever was before. The towns in the east end of that valley are in my constituency. They happen to be all on my side of the river except one, which is on the other side of the river, but for some reason or other it was put in my constituency. All the towns and summer resorts along there within that area are in my constituency. If there is anyone in this house who knows what the conditions are, it is I. Someone asked the other day, why have you not gone out to look at them? I was out there all during the Easter holidays. I was there for three weeks. I was pulled half a mile by tractor while attempting to go from my farm to Regina. On another occasion I was pulled for a piece, and did not reach where I wanted to go. I wanted to go down into the valley on two or three occasions but I could not get there because a section of the valley was badly flooded. I know every foot of it. I have driven over it; I have ridden over it on horseback; I have walked over a lot of it, and I do not need to be there to know what the conditions are. I have seen the conditions in the whole 41 years that I have been in politics, and for some time before that. I have represented those people through all that time, and what I am going to tell you is that they know me sufficiently well and they know the conditions sufficiently well that there is not a single one of them who has ever written me a letter about it. Other people in this house may think they are getting a lot of correspondence, but the people out in my section of the country know that I know the conditions and know that I am making representations that should be made in connection with them, and they are not listening to this propaganda put out largely by the C.C.F. I am not at all surprised that my friend from Prince Albert joins with the C.C.F. on that kind of thing, stating that

the Minister of Agriculture is such a political propagandist and such a political machine that you just cannot give him any more authority.

Let me repeat. They said that when it was made $5,000. They said that when it was made $10,000. There is not a member of this house, on any side of it, who has been able to come here on this occasion and name one specific case where there has been a dollar misspent in connection with the activities of this organization—not one. So I am going to say this. I have prided myself on being somewhat of a political organizer. I would not have been elected every election since 1914 if I were not. Every time my seat has been contested I have been elected. I know something about organizing. I do not think that is something for which one should be criticized by men who have sometimes been able to get into the house and sometimes have not. But I am going to say this to the C.C.F. Since I came here I have had absolutely nothing to do with organization in the province of Saskatchewan in so far as determining how it was going to be run and who was going to run it. If I had, they probably never would have been here.

The fact of the matter is that I had sufficient experience in the province of Saskatchewan getting myself elected in the time I was there provincially, that I was able to win all my elections. I was able to set up an organization, if you like, or you can call it a political machine or whatever you like to call it, which won elections. My last experience in the province of Saskatchewan was in wiping out a government. We were not the government; we did not have control over appointments in the civil service. We had no control over any of those things for five years. My hon. friend from Prince Albert was one of the campaigners against us and followed up by being leader of the party that was in power during that period—

Mr. Diefenbaker: During what period was that?

Mr. Gardiner: During the time the Anderson government was in power.

Mr. Diefenbaker: Mr. Speaker, I should like to correct my hon. friend. If I recollect the date, it was November, 1926, when I became that.

Mr. Gardiner: Yes; when Mr. Anderson ceased to be leader of the Conservative party, you became leader of the Conservative party, the follower of the premier who was leading the province in 1934. When the election was all over—and this is where I got my reputation—there was not a single member of the government nor a single supporter of the government elected anywhere in Saskatchewan; they were all wiped out. I am rather proud of that reputation.

An hon. Member: It lasted for 20 years.

Mr. Gardiner: Until this last year there never was another Conservative elected in the province of Saskatchewan. My hon. friend started out with something over 100,000 Conservative voters in the province and wound up last year with 17,000. I do not lead parties in that direction, I am proud to say, and if I am accused of being a party politician, a machine campaigner, and so on, I would very much rather have that accusation made against me than the accusation that I took over a party when it had so many votes and now have it with so few. But the fact is that I took over the party with a certain vote, and I increased the Liberal vote in Saskatchewan until 180,000 people voted for us, and so many had never voted for us before or since. Figures are thrown around of 200,000 and 210,000. You have to count everybody who votes in Regina three times to get it that high. You have to count twice everybody who votes in Saskatoon to get it that high. Each one there votes for two candidates, and in Regina each one votes for three candidates. You have to count twice everyone who votes in Moose Jaw, because each one votes for two candidates. But when you take the actual figures of people who have voted, there never were more who voted Liberal than in 1934 when 180,000 voters voted for us. Even in the last election in Saskatchewan the Liberals got the votes of 168,000 people, only 12,000 down from where we were at our peak. If my hon. friends want to talk about a situation of that kind there, all I have to say to them is that they had better be careful how they vote on this bill, because the people out there do think something about the question as to whether it is sufficient to deal with the situation that exists out there now by saying that the minister can only decide on an amount up to $10,000. The Leader of the Opposition saw the point the other day, when he was speaking in committee. He wanted to know whether this was to give me authority to deal with these particular situations that were going to arise as a result of the flood conditions out there now.

An hon. Member: He does not know the situation.

Mr. Gardiner: He had moved to a line of reasoning that is followed today by some of

our friends who do not know the situation either. He got around to suggesting that this is an effort to give Mr. Gardiner, the machine politician, the opportunity to go out and take hold of these jobs up to $15,000, whereas previously he could take hold of them only up to $10,000, and decide the situation himself and go out and deal with this flood situation with that power in his hand. The government had no such idea at the time they were considering this matter. They were considering it on its merits before the flood problem ever came up. It was considered by council before that problem came up, and therefore that could not have been the reason. But my hon. friend from Assiniboia today says that we ought to do this and we ought to do that, and that we have never given any thought to the matter. They are a long way from the mark. As a matter of fact, I have a copy here of the *Leader-Post* of June 3, which was last Friday, the day when we were previously discussing this question. It reports the speech which Mr. McIntosh, the minister of municipal affairs in the Saskatchewan government, made to the urban municipal association. There could not be any group of people getting together in the province of Saskatchewan who understand the situation better than the municipal association. Here is what the article says:

> The provincial government is not too concerned about the 1955 agricultural picture in the province, municipal affairs minister L. F. McIntosh told the Saskatchewan urban municipalities association convention in the Hotel Saskatchewan Thursday afternoon.

Then it goes on to recite the conditions that do exist and to indicate the same figure which has been used here, taken out of the documents presented here when the representatives of the governments have been here on two occasions. It says that it is going to require some $5 million put up by somebody to deal with this situation. May I tell my hon. friends that we have not been losing sight of the fact. We knew, as a matter of fact, what it would cost in the northeastern part of Saskatchewan, from the main line of the C.P.R. to the farthest settled points, to take care of their problem. We knew the problem did not exist in other parts of the province to the same extent and that something had to be done about it in the northeast. So we took action to deal with it, not now but last fall, after that country had been flooded for a whole summer and the provincial government had done nothing at all about it. Now they come here and say to us that this country was flooded in 1953, this country was flooded worse in 1954, this country is flooded worse now in 1955, and they say, "Come and help us out". Of course we help people out when they require assistance when we are responsible. Knowing as I do that one of my constituents on the north side of the valley has had as many as eight families living with him at one time because they were flooded out of their homes, we know what the situation is, and we also know that you cannot sit down the next morning and evaluate the damage and start to pay for it and deal with people as they ought to be dealt with. So we wait until the minister of municipal affairs in Saskatchewan is able to make a more definite report to a municipal association than he does in this case, and also until we have more definite information.

It has been said by member after member that there ought to be $5 million spent in that area in order to take care of the needs of these people. Last fall we could see something like this coming if it rained a lot, even if it snowed a lot. It did not snow a lot so we thought we were by that, but it rained a lot in the first part of May and so we had the same result as if it had snowed in the wintertime. So we started to look over the Prairie Farm Assistance Act to see what assistance could be given to these people, if any, under the act that had been prepared to deal with drought. We referred the matter to the justice department and they said yes, you might have intended—and we had intended at the time—to be paying on drought but you did not so state in the act. The word "drought" is not in it anywhere. So it is possible for you to pay for other reasons when the results are similar and when the conditions under the act can be made known. So we referred the matter to the treasury board. We referred the matter to the treasury and they agreed. They said, "Yes; payments can be made and this is the way in which you can make them this year under this act and take care of people in areas that perhaps have been paying all the time but never had much if any assistance under the act or very little since 1939." So we made the payments. Fortunately, when this vote is being taken at this present time, practically all the payments have been made. Do you know how much they amount to? They amount to $6,327,766 in the northeastern part of Saskatchewan in the constituencies we are talking of from the main line of the C.P.R. right up to the north. Do you know how much they were from 1939 down to last year? They were $5,505,000. For all the years from 1939 down to the present that area drew only $5,505,666. But for this one year, because of the difficulties that are being spoken about in this house, there has been paid in there $6,327,000. That is, we have

paid in almost $1 million more in one year than was paid during all the other years from 1939 down to this year; and this money has been paid in since the first of January this year and it has been paid up to now. In other words, we have paid $1 million more into that area already out of the treasury of Canada than the provincial government estimates will be required in the whole province in order to take care of the problems we are talking about.

We have not been losing sight of the needs of the people in that section of the province of Saskatchewan, nor have we been playing politics with the matter. I venture to say that 80 per cent to 90 per cent of the farmers living in that area have had assistance already and all that is being proposed when they come to see us is that we put in sufficient money to make it possible for the provincial government to go out and put some of these people to work. I know it is a fine thing to put people to work but, from a long experience in the province of Saskatchewan, I also know that $200 or even $150 or $300 or at the outside limit $500 under the act put into the hands of an individual between January 1 and June 1 will do him more good than all the work he can get no matter how much he is paid for it between now and the time that he has to be looking forward to harvesting whatever crop he is going to have. In other words, I just want to impress upon this house the fact that the government has not lost sight of the facts. This report I have read of the urban municipal convention in Regina indicates that what the Prime Minister (Mr. St. Laurent) said a little while ago is correct. He said the province is going on doing the job. What they are suggesting is that, when the job is done, maybe we ought to help pay for it. I am suggesting to you that we put more money into that area before the job was ever started—

Mr. Diefenbaker: For last year.

Mr. Gardiner: No; for this year. The money which the farmer gets this year paid on account of last year's crop.

Mr. Diefenbaker: But it is for last year's crop.

Mr. Gardiner: The farmer uses the crop he grew last year in order to help him put in one this year; and if he has got prairie farm assistance this year, it is going to help him in order to make it possible for him to put in this year's crop. Our friend the provincial minister says that the provincial government is not too much concerned about the 1955 agriculture picture.

Mr. Campbell: That is the general picture.

Mr. Gardiner: That is the general picture in the province. He goes on to say this:

> "The department of agriculture—

That is in Saskatchewan.

> —is making a stern effort to encourage the natural flow of streams in the flooded regions of the province", he said. "This week two cars of dynamite were sent out to help in the program" . . .
>
> In 1954 some 17 rural municipalities suffered excess moisture . . .

And so on. I just recite that in order to say this. The provincial government after coming here went back home and went to work to try to do the job, no matter who paid for it. They are working at it. All this particular piece of legislation does—if it does anything in relation to it—is to say to the minister: You do not have to wait until you get through with all this detail that is required in order to get certain things done; whenever the problem is put up to you as to whether you can help with it, if it is not going to cost more than $15,000, you can make a decision about it.

Mr. Wylie: Go out and do it.

Mr. Gardiner: That is one of the reasons my friends over there who come from the province of Saskatchewan say, "Do not give it to him. We want to be able to tell him when the next election comes along that he did not do anything about it." It is nothing but politics, pure politics and the meanest kind of politics. I know this house is not going to say that to the Minister of Agriculture on this occasion. They are going to say that you have been carrying on under this act since 1939; there has not been a single member who has been able to come here and put up one word of criticism in connection with the expenditure on any project. Members in opposition to the government here, such as those in the Social Credit group, coming as they do from the driest areas in western Canada, similar to areas in southwestern Saskatchewan, come here and say, "Vote for this measure because it is going to be helpful".

I am going to emphasize what the hon. member for Fort William (Mr. McIvor) brought out a few moments ago. This house voted for this measure on second reading. This house voted on everything that has been put up this afternoon in committee. This house is now asked to send it back to that committee all over again, to have all that talk go on again and another vote taken. I am going to suggest that the quickest way in which to get it over with is to vote for the third reading of this bill and send it over to the Senate. No doubt some people there may have some suggestions to make

about amendments. If any amendments are made they will come back here and we will deal with them again. But let us get on with the job. There never was an area in which certain people needed assistance to a greater extent than they do out there now. I am not going to say that it is a national problem nor am I going to say that it is even a provincial calamity all told. There will be areas where the land will produce much more than they have had for a long time past because they have had these three years of additional moisture. There are other areas, however limited, where there has been a great deal of suffering. This article of the provincial government says that 369 people were evacuated. Saskatchewan is not a very small province, even in population. I am going to say that among the 369 people who have been so affected are some just as hard hit as anyone was in Manitoba at the time of the Red river flood, just as hard hit as those people affected by the Fraser river flood at an earlier period, but in no place were they as hard hit as the people along the Humber valley where scores of people lost their lives. In no place in Saskatchewan is there a condition like that. Because there is not, we ought to get down to earth when we are considering this problem and get on with the legislation that makes help possible. Of course anything the federal government does there is likely to be done under P.F.R.A. because the whole organization is set up which can deal with such matters.

May I say here that if I had not come to that point I would have forgotten what the hon. member for Dauphin (Mr. Zaplitny) said. He misunderstood what I said the other night. I stated there were conditions under which the engineering was not paid. I recited one of those conditions as being the condition we have reached in Alberta. We did the engineering in connection with the St. Mary's dam. We did the engineering in connection with the laying out of the main canals through the whole system right down to south of Medicine Hat. But when it came to letting the contracts on that particular system of canals we said to the provincial government after some experiences, well, maybe you had better let those contracts yourselves and get your own engineers to advise you on them. If you do want the help of some of our engineers because you have not properly trained men that is all right, provided you pay them. We will lend them to you and you pay them because we do not want to get into difficulties on contracts you are handling.

Mr. Zaplitny: Would the minister permit me to say that I am afraid he has also misunderstood me. What I was referring to was survey work done outside the P.F.R.A. designated area in the province of Manitoba. What I stated was taken directly from a letter written by the Minister of Agriculture (Mr. Gardiner) to the minister of agriculture of Manitoba stating that there is a change in government policy on that question.

Mr. Gardiner: There is a change in government policy on the question I have just stated. I went further in the letter and indicated to the minister in Manitoba that when we were simply trying to determine whether or not a project should come under P.F.R.A. or was something that the province should do we would still carry on that work. At some stage we may say, "This is yours, we are through". But we pay for it up to that point. I also pointed out that there are different schemes from those we were talking about in the earlier part of the letter. There is the one having to do with Clearwater lake, a summer resort, and also a federal park. If there were going to be any drainage work done inside the park I would have to take the question to the proper department here in order to have it settled whether they wanted drainage done there. But as to any condition outside the park resulting from the fact that snows had melted in the park and the water had run down the rivers and flooded farms we would help. The reason we will only help is the fact that we assume some responsibility because the water came out of the park.

In other similar cases all over the west and all over the rest of Canada we have not assumed responsibility, whether in a P.F.R.A. area or not, for drainage as such. When it comes to matters of drainage of that kind they have to be cases where we have some responsibility apart from what the constitution gives us before we agree to pay. Those were the cases I was talking about together with the development in Alberta. In that case we have reached the point where we think we should turn it over to the province and get out of the picture. We believe they should let the contracts. I think my friend can see the reason for that.

It is not even weeks after you start to put your engineers in to deal with contracts that the provincial government is going to let until some fellow comes in and says that he has been to the provincial government—it does not matter whether it is Alberta or where it is—and has been told that our engineer made a decision and therefore we have got to pay for it. We just do not do business that way. When we get to that

point we have to tell them that any engineer who is there at their request, even if he is a man we trained, has got to be acting as their engineer and they must pay him. Then nobody can say to us that we are playing around with their contracts.

Mr. Zaplitny: May I ask this question for clarification? In the event of the province and the federal government arriving at a tentative agreement on a certain project and wishing to have a survey made in order to ascertain the estimated cost, the feasibility and so forth, will the minister state that the federal government is still prepared at their expense to lend their P.F.R.A. engineers for that purpose?

Mr. Gardiner: There are no contracts like that. The federal government never sits down and makes an agreement with any province until our engineers have been all over the project. When we use our engineers to determine whether or not we are going to go into the contract we pay the price. If the job is undertaken and is said to be a provincial responsibility, we may still agree to pay half, as we did at Dauphin. We may also still continue to have our engineers do the engineering work. We do not do that in all cases, but in some we do. However, in determining whether or not we are going to go into a project at all at any stage we do that by putting our engineers on it before any agreement is made with the province, and that will still continue to be the situation.

Finally, I just want to say that I hope the house will vote in the same or even larger proportion for third reading of the bill as they did for second reading and on the different clauses as they were discussed.

Mr. McCullough (Moose Mountain): Mr. Speaker, I should like to say first—

Mr. Speaker: Order. The minister has just closed the debate.

Mr. Argue: Mr. Speaker, I am no authority on the rules, but was the minister not speaking to the amendment moved by the hon. member for Prince Albert? Therefore he could not close the debate at this stage.

Mr. Speaker: The hon. member is quite right. I hope I did not mislead even the minister by announcing that when he spoke to the amendment he was closing the debate. It may please him to know that he has another speech coming if he wants to make one.

Mr. Gardiner: I think we should take the vote.

Mr. Speaker: The hon. member for Moose Mountain.

Mr. Gardiner: Mr. Speaker, under your ruling the hon. member for Moose Mountain cannot speak until the vote is taken on the amendment.

Mr. Speaker: No. We started by debating the third reading of the bill. The hon. member for Prince Albert moved an amendment, and all the members who spoke since the amendment was moved were speaking to the amendment.

Mr. Gardiner: I am asking for a vote on the amendment.

Mr. Speaker: Yes, but the minister cannot ask for a vote unless the discussion is terminated.

Mr. Gardiner: But when I moved the motion in the first place I spoke. The Speaker stopped me the other day because I wanted to speak after someone got up and asked me a question and I yielded then, but today we have an amendment moved and I was told that if I spoke the debate was closed. I presumed that we were through with the discussion of the amendment and were coming to the vote. Now I am told we are not through with the discussion on the amendment but are in the middle of it. My friend will still have a right to get up and speak, but I would just like to know what the correct ruling is.

Mr. Diefenbaker: If I may speak on the point, what the minister says is correct as to the order of things. Your Honour did say that the minister was closing the debate, and according to the rules that was not correct, with deference. Would it not be better for the vote to take place now? It would not do the hon. member for Moose Mountain any harm and he could then speak on the main motion. Certainly the minister was under the impression he was closing the debate.

Mr. Gardiner: If the house wants to do so, I am quite prepared to let it go on provided there is only going to be one vote, on third reading. I am not worrying about it.

Mr. Speaker: May I again apologize to the house, and especially to the minister, because when he rose I completely forgot about the amendment that had been moved and I announced that if he spoke he would close the debate. I would have been right in doing that if the amendment had not been moved, but since an amendment was moved I had no business saying that at that time. I made that announcement, which should not

be regarded as a ruling. I was merely acting—at the wrong time—in accordance with the provisions of standing order 43. Since I was in error I think the house should continue the debate as if I had not made the announcement that the minister was closing the debate.

Mr. E. G. McCullough (Moose Mountain): The main point at issue is not the political success or failure of the Minister of Agriculture in Saskatchewan, but that we should get some action in respect to flood conditions in that province. I feel deeply concerned about conditions existing there, and have repeatedly brought the matter to the attention of the Minister of Agriculture and the Prime Minister in the hope that we would get an early decision as to what action, if any, the government intends to take.

There have been precedents for the declaration of a national emergency when large scale disasters have occurred in various parts of Canada. It is my hope, of course, that the federal government will see fit to take an active part in the appraisal and restoration of the damages in Saskatchewan resulting from recent floods. I am sure the people of the country would be agreeable to such a course.

I want to point out to the Minister of Agriculture that I am concerned about the basis on which assistance will be provided to the people of these flooded areas. I quite recognize that there is no national authority such as I advocated in an earlier speech, when I indicated that I thought these interprovincial problems affecting drainage in the different parts of Canada and the recurring flood conditions would indicate the advisability of setting up a dominion-provincial diking and drainage authority on which there would be adequate representation of the provinces and the dominion government. Then these large projects could be undertaken in a sensible and businesslike way.

The problem which affects my district more particularly, and the one with which I am fairly familiar, is the flood condition in the Kipling area. In that area approximately a million and a half acres of excellent farmland is presently flooded and will not be seeded to crop this year. A great portion of that land has been flooded for one or two years. It so happens that it is not a marsh area in the true sense of the word. As a result of the natural basins being filled, the water has no other course to follow except to flow over the more level area sometimes referred to as Kipling marsh.

It would take approximately six or seven miles of drainage works to drain that water into the Pipestone river. In turn this water that is now flooding a million and a half acres there would flow into the Pipestone and on into Manitoba, causing a difficult situation there. I think it should be obvious to the house, therefore, that this is a situation that concerns both the provincial and federal governments, and action by both governments would be necessary to prevent a recurrence of these flood conditions.

I might say that precedents have been established for federal government assistance in some of these projects. I could name quite a number of them, but there is one in particular in the Pipestone lake area where the federal government contributed $130,000 of a total cost of $230,000 in order to remedy that difficulty. I say to the Minister of Agriculture that when we appeal to him to undertake certain action under P.F.R.A. we do so not in an attempt to spell out how action should be taken, but to bring the attention of the federal government to the fact that corrective works in some form should be undertaken in collaboration with the province and the municipality.

I am aware of the fact that in the Kipling district the local authorities have set up a drainage association. Contrary to the impression left by the Minister of Agriculture that Saskatchewan had not done very much in respect to some flooded areas, I want to say to him that since 1949-50, when the conservation act was passed in Saskatchewan, the province has spent approximately $2·5 million. In addition the province completed a survey of the flooded area at Kipling, and I believe they are awaiting federal government action to assist in solving that problem.

I want to close, Mr. Speaker, by appealing to the minister to use his department or use his authority to have assistance given to those people who are—

Mr. Gardiner: And you are going to vote not to give me any authority.

Mr. McCullough (Moose Mountain): We have had another interjection by the minister. I think it is true to say that under the measure upon which we are to vote, the minister is now going to have to go to the cabinet to get approval for any projects costing over $15,000. He now has authority up to $10,000. As I also understand, certain sections will be deleted which will prevent the minister from undertaking these works without the approval of treasury board. While on the one hand the bill perhaps gives the minister further rights, on the other hand certain sections are deleted by the amending

bill that will curtail the powers of the minister and force him to go to treasury board for approval.

Mr. Gardiner: No, not under these sections. The only difference is this. I have to go to treasury board instead of to council.

Mr. Argue: Did you always go to council before?

Mr. Gardiner: Usually.

Mr. Argue: Usually, that is the point; that is the reason for the bill.

Mr. Gardiner: It is no such thing. Every minister does exactly the same thing. Up to a certain amount he can decide, but when it gets over that amount, under the general legislation he has to go to treasury board. Until now I only had to go to council, and now I only have to go to treasury board.

Mr. McCullough (Moose Mountain): I do not know who is making this speech.

Mr. Gardiner: We are both making it.

Mr. McCullough (Moose Mountain): I listened with a great deal of interest to what the minister had to say. I think both the house and the minister will agree with this statement. If the minister puts a proposition before the cabinet in such a way that he gets the active support of the cabinet, we do not need to fear whether or not those projects will be undertaken. It does not matter whether the minister's power is limited to $10,000 or $15,000, here is a situation that is going to take much more than $15,000 to correct. It is one for which the minister will have to get cabinet approval before taking action.

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss	Green
Argue	Harkness
Barnett	Johnson (Kindersley)
Bell	Jones
Blair	Knight
Cameron (Nanaimo)	Macdonnell
Campbell	MacLean
Cardiff	McCullough (Moose Mountain)
Castleden	Montgomery
Charlton	Murphy (Lambton West)
Churchill	Pearkes
Diefenbaker	Stanton
Drew	Thatcher
Ellis	Trainor
Fairclough, Mrs.	White (Middlesex East)
Fleming	Winch
Fulton	Zaplitny—35.
Gillis	

NAYS

Messrs:

Applewhaite	Langlois (Gaspe)
Ashbourne	Legare
Balcom	Lusby
Batten	MacDougall
Benidickson	MacEachen
Blackmore	MacNaught
Bourget	McCann
Brisson	McCulloch (Pictou)
Brown (Brantford)	McIvor
Brown (Essex West)	McLeod
Bruneau	McWilliam
Buchanan	Mang
Byrne	Martin
Campney	Matheson
Cannon	Michaud
Caron	Patterson
Carter	Pearson
Croll	Philpott
Dechene	Pickersgill
Deslieres	Pommer
Dickey	Pouliot
Dupuis	Power (St. John's West)
Fairey	Prudham
Fraser (St. John's East)	Robertson
Gardiner	Robichaud
Garson	Robinson (Simcoe East)
Gauthier (Lake St. John)	St. Laurent
Gingues	Simmons
Goode	Sinclair
Gour (Russell)	Stick
Hanna	Stuart (Charlotte)
Hansell	Studer
Hardie	Thibault
Healy	Thomas
Holowach	Tucker
Howe (Port Arthur)	Valois
Jutras	Viau
Kickham	Villeneuve
Kirk (Antigonish-Guysborough)	Weaver
Kirk (Shelburne-Yarmouth-Clare)	Weir
Lafontaine	Weselak
	Yuill—83.

Motion agreed to and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR REFUNDING OF FINANCIAL OBLIGATIONS AND ISSUE OF SUBSTITUTED SECURITIES

Hon. R. O. Campney (for the Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to present a measure to provide for the refunding of matured, maturing and callable financial obligations of the Canadian National Railways and for the issue of securities guaranteed by the Dominion of Canada in respect of such refunding to an aggregate principal amount not exceeding $200,000,000.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Benidickson: The bill to be founded on this resolution is to provide for the refunding of Canadian National Railways securities maturing or callable in the years 1956 to 1962. Provision is made either by the issue

of railway bonds guaranteed by the government or by temporary loans from the government. The amount provided is $200 million, the same as was provided in similar acts passed by this house in 1935, 1938, 1944, 1947 and 1951. When hon. members see the bill they will find that it is patterned on the 1951 bill.

The details of the maturing issues are shown in a statement which I should like to have placed on *Hansard*. It shows the securities that are to be refunded between 1956 and 1962.

The Chairman: Is it agreed that this table be printed in *Hansard*?

Some hon. Members: Agreed.

Mr. Benidickson: The table follows:

Securities to be Refunded Under Canadian National Railways Refunding Act, 1955

Major Refundings		
1956		
	C.N.R. 4½ per cent 25 year bonds	$49,853,548
	Equipment trust issues	9,060,000
1957		
	C.N.R. 4½ per cent 30 year bonds	64,136,000
	Equipment trust issues	9,060,000
1958		
	Equipment trust issues	8,500,000
	C.N.R. 3½ per cent debenture stock	5,636,506
1959		
	C.N.R. 3 per cent 20 year bonds	35,000,000
	Equipment trust issues	3,550,000
1960		
	Equipment trust issues	2,450,000
1961		
	Canadian Northern Ontario Railway 3½ per cent debenture stock	3,597,518
1962		
	Grand Trunk Pacific Railway 4 per cent sterling bonds	7,186,889
Miscellaneous refundings 1956-1962		1,969,539
	Total	$200,000,000

The securities include Canadian National equipment trust issues, Canadian Northern Ontario railway debenture stock and bonds of the Grand Trunk Pacific Railway, and they total $200 million.

The usual practice is to borrow temporarily from the government and issue securities to the public at the appropriate time and in an amount suitable to the market covering requirements for refunding and other purposes. Of the $200 million authorized by the 1951 act, $102,893,898 has been financed by public issues, the remainder by government loans. The details of these public issues are shown on an additional statement that I also would like to have printed in *Hansard*.

The Chairman: Has the hon. member leave to have these tables printed in *Hansard*?

Some hon. Members: Agreed.

Mr. Benidickson: The tables follow:

Detail of Bond Issues sold to the Public
Under the Authority of
The Canadian National Railways Refunding Act, 1951*

Issue Date	Maturity Date	Interest Rate	Price to Company	Cost to Company	Total Amount Issued	Amount Issued for Refunding
Feb. 1, 1954	Feb. 1, 1974	3¾	98·75	3·84	$200,000,000	$ 66,162,655.36
Dec. 15, 1954	Feb. 1, 1963	3¾	98·625	2·94	250,000,000	36,731,243.00
					$450,000,000	$102,893,898.36

*A summary of securities to be refunded under this act follows.

Summary of Refundings under C.N.R. Refunding Act, 1951

Refunded by government loan	$ 13,022,000*
Refunded by public issue	102,893,898
To be refunded	84,841,102
	$200,000,000

*This amount, together with certain other outstanding loans from the government, was converted into a $100 million 3⅜ per cent debenture under the Capital Revision Act, 1952.

Securities to be refunded under Canadian National Railways Refunding Act, 1951

1955		
C.N.R. 4¾ per cent bonds	$48,496,000	
Instalments under equipment trust issues	9,060,000	
Grand Trunk Pacific Railway 4 per cent Series "A" and "B" and Lake Superior branch bonds	8,871,444	
Other	142,206	
		$66,569,650
1956		
C.N.R. 4½ per cent 25 year bonds (in part)		17,514,452
		$84,084,102

Mr. Macdonnell: The parliamentary assistant has indicated the purpose of this legislation. We have these various maturities running over the years until 1962 and totalling $200 million. The parliamentary assistant has explained the method followed. I take it the real question that arises is that of interest rates and suitable time for making offerings. That is something that it has been indicated will be dealt with in the judgment of the officials of the Department of Finance or the railway as the years go by.

Mr. Benidickson: And the bank, yes. They are now issued through the Bank of Canada, and of course the bank's judgment will be used.

Mr. Macdonnell: Is there a further amount of $27 million of Grand Trunk Pacific securities in addition to the $200 million to be dealt with?

Mr. Benidickson: Not with reference to this bill.

Mr. Diefenbaker: I should like to ask the parliamentary assistant a question relating to one portion of this resolution which states that provision is made for the refunding of matured, maturing and callable financial obligations of the Canadian National Railways, and for the issue of securities guaranteed by the Dominion of Canada. I should like to ask whether the trend toward the elimination of the word "dominion" in the description of the Dominion of Canada has now terminated, and whether this is a recognition by the government that a few years ago the Prime Minister was correct when speaking in this house he described this country as the "Dominion of Canada"? In a speech in the House of Commons on June 16, 1942, he said, as reported at page 3394 of *Hansard*:

> Canada has been for the last 75 years the "Dominion of Canada", organized by and governed under the British North America Act.

I simply inquire from the parliamentary assistant whether the trend that has been apparent in recent years has now been brought to a temporary stop. I would point out, sir, that while parliament went to considerable trouble to eliminate the word "dominion" in various statutes, it is still recognized as a not unclean word in the Dominion Succession Duty Act, which was amended without changing its name; and indeed in 1952 in the first two vice-regal messages brought before parliament by which the estimates were transmitted the expression used at that time was "for the service of the dominion". However, in June of that year a change was made and in the next message brought down the language was "for the service of Canada". I simply would like to inquire whether or not the government now has arrived at a point where the word "dominion" is recognized as a proper word.

The Chairman: Shall the resolution carry?

Mr. Diefenbaker: I should like an answer from the parliamentary assistant.

Mr. Benidickson: Mr. Chairman, I do not think that would be an appropriate question to the Department of Finance on this particular resolution.

Mr. Diefenbaker: If the parliamentary assistant cannot answer it, possibly the Prime Minister could clarify that situation.

Mr. St. Laurent: The expression "Dominion of Canada" has been used for something over 86 years now, and it certainly is not an improper expression, but the name given by the constitution to this country is "Canada". The provinces were united in one dominion under the name of Canada, so "Canada" is quite sufficient to describe the entity that was created by the British North America Act, but it was created as one dominion under the name of "Canada".

I think it is quite proper to use the expression "Dominion of Canada" or to call the country "Canada". The expression is in the British North America Act, and so long as it is there it is certainly complete justification for the description of this country, which has the name of Canada, as the "Dominion of Canada", because the provinces were united by the constitution into one dominion under the name of Canada.

Now, there are some who feel that the expression that was used at that time connotes that this country is under the dominion of some other country. I think the public at large, not only of this country but throughout the world, has now fully accepted the position of equality of status that was declared at the conference of 1926 and confirmed by the Statute of Westminster in 1931.

Mr. Diefenbaker: Mr. Chairman, in the Statute of Westminster in 1931, Canada and the other portions of the commonwealth to which that act was made applicable were referred to as the dominions. Is that not correct? I should like the Prime Minister as well to say why it is that we shift back and forth. Some statutes have been amended so as to provide for the description of our country as "Canada"; other statutes retain the words "Dominion of Canada". What is the reason for the uncertainty about it, and why should it be necessary to change to

"Canada", instead of allowing the description to remain as it appears in the Statute of Westminster?

Mr. St. Laurent: I do not know of the need for any change, but the hon. gentleman is sometimes described as Mr. Diefenbaker, Q.C., and sometimes as the hon. member for Prince Albert. They are both appropriate descriptions, and we all now understand who the gentleman referred to is, whichever expression is used. I believe the public now understand that this is the country referred to, whether it is referred to as "Canada" or "the Dominion of Canada".

Resolution reported, read the second time and concurred in.

Mr. Pickersgill (for Mr. Harris) moved for leave to introduce Bill No. 450, respecting the Canadian National Railways and to provide for refunding of matured, maturing and callable financial obligations.

Motion agreed to and bill read the first time.

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. J. W. Pickersgill (for the Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to authorize the Canadian National Railway Company to make capital expenditures in the year 1955 not exceeding $123,508,334 and to make certain capital expenditures and enter into certain contracts prior to July 1, 1956; to authorize the national company to issue securities to provide amounts required for the authorized expenditures; to provide that, except as expressly provided, the aggregate principal amount of securities outstanding at any time shall not exceed $115,999,000; to authorize the governor in council to guarantee the principal and interest of securities issued by the company for the purpose aforesaid; to authorize the Minister of Finance to make loans to the said company secured by such securities and not exceeding $115,999,000 in principal amount to enable the said company to meet such expenditures and with authority to give financial aid and assistance to other companies of the national system.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Benidickson: Mr. Chairman, this is the annual resolution that precedes the introduction of the Canadian National Railways Financing and Guarantee Act. Hon. members will recall that in 1952 the form of this legislation was changed so as to include the financing of all capital expenditures whether authorized in that act or in earlier financing and guarantee acts. This procedure has been followed again this year.

The bill to be founded on this resolution is divided into three specific parts. The first is to authorize the Canadian National Railways to incur capital expenditures up to $75,999,000. The second authorizes the railway company to make capital expenditures prior to July 1, 1956, to discharge obligations incurred under this act which become due and payable after January 1, 1956, in the amount of $40 million. The third authorizes the railway company to enter into contracts for new equipment and for general additions and betterments in the amount of $45,681,498.

To summarize, parliament is being asked to approve financing, either by way of the issue of new securities guaranteed by the government or by way of direct loan, in the amount of $115,999,000. For the convenience of hon. members I would ask permission to place on *Hansard* a table giving the details of this amount.

In addition, this year's bill will provide for the appointment of the auditors of the Canadian National Railways for the year 1954. Hon. members will remember that in previous years the appointment was made by a special bill. As this relates to the finances of the railway it was felt appropriate to include it in the annual financing and guarantee act. I may say that the figure of $115,999,000 that I have mentioned for this year compares with $234 million last year.

The Chairman: Has the hon. member leave to place the table he mentioned on *Hansard*?

Some hon. Members: Agreed.

Mr. Benidickson: The table is as follows:

Additions and betterments (excluding new equipment)		$ 44,758,334
Branch line construction		12,160,000
New equipment		60,897,000
Acquisition of securities		5,693,000
Capital expenditures, January 1, 1956 to June 30, 1956, incurred prior to January 1, 1956		40,000,000
		$163,508,334
Less:		
Amount available from depreciation reserve	$ 12,394,000	
Retirement of equipment	20,115,334	
Working capital available for capital expenditures	15,000,000	
		47,509,334
		$115,999,000

Mr. Macdonnell: The statement which the parliamentary assistant has placed on *Hansard*, and of which I received a copy, shows certain amounts deductible from what would otherwise be expended, namely depreciation reserves, retirement of equipment, and working capital available for capital expenditures, totalling in all some $47 million. That does not include a figure which was in the statement placed before the committee by the officials of the railway, a figure of some

$19 million from the sale of preferred stock. My understanding is that that will be referred to in the bill.

Mr. Benidickson: It was referred to in last year's bill. This year's bill will be patterned on last year's and will provide that the $115,-999,000 is to be inclusive of anything that is subscribed by the finance minister for preferred stock of the railway under the refinancing act of 1952.

Mr. Macdonnell: While it is as broad as it is long, when in fact that preferred stock is purchased the amount required will be altered in that way. I have one other question. The Minister of Transport notified the house a day or two ago of certain additional expenditures on branch lines in Quebec. Will that amount be included in these figures, and will it be in this legislation?

Mr. Benidickson: That is apart from the amounts referred to in the C.N.R. resolution. My understanding is that those will be covered in the supplementary estimates.

Mr. Macdonnell: By what?

Mr. Benidickson: The supplementary estimates.

Resolution reported, read the second time and concurred in.

Mr. Pickersgill (for Mr. Harris) moved for leave to introduce Bill No. 451, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system, etc.

Motion agreed to and bill read the first time.

FISHERIES

MEASURE TO PROVIDE GUARANTEE ON LOANS TO FISHERMEN

Hon. J. W. Pickersgill (for the Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to assist fishermen engaged in primary fishing enterprises by encouraging the provision of bank loans to fishermen, such loans to be guaranteed with limitations by the crown; moneys payable to banks under the act to be paid out of the consolidated revenue fund.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Sinclair: Mr. Chairman, the Minister of Finance was good enough to ask me whether I would give the explanation of this resolution. This is to be a bill of the Department of Finance, but of course it is of special interest and concern to the fishing industry in Canada.

With all due modesty I must claim some little part in the paternity of this measure. In the four years that I was parliamentary assistant to the Minister of Finance, twice I put through in this house the Farm Improvement Loans Act. I must confess that I do not think any other bill so impressed me as being an extremely useful piece of legislation that proved to be of great assistance to the farmers of Canada. The first year the act was in operation, as I recall it, just $3 million was lent for limited purposes. In recent years almost $100 million a year has been lent under the Farm Improvement Loans Act.

When I became Minister of Fisheries I was naturally anxious that a similar act be passed in order to enable the fishermen to get the same type of intermediate credit from the chartered banks at reasonable rates because of a government guarantee to the banks against losses. However, we found that there were certain obstacles. One of the obstacles was the fact that the type of fisherman who needed such assistance most—that is the fisherman with just a small boat—found it almost impossible to insure his vessel at reasonable rates. Naturally the banks are rather reluctant to lend money on the security of a fishing boat which could be lost at sea, if that boat had no insurance.

Two years ago, as a first step in this direction, as hon. members will recall, we brought in the fishermen's indemnity fund, which gives a form of insurance to commercial fishermen on payment of a premium of 1 per cent. That scheme is now working out very well, so it is now possible to take the next step of introducing a fishermen's improvement loans act similar to the Farm Improvement Loans Act in order to give these fishermen the opportunity of obtaining intermediate credit on favourable terms.

Having made that explanation I think perhaps I should now actually read the statement which would have been given by the Minister of Finance, in order to give accurately the financial details of this proposal.

The purpose of this bill is to increase the availability of intermediate-term credit to fishermen. It is to help the average fisherman to make more use of the credit facilities of the banks to meet his business needs. As hon. members are aware, the existing practices by which the average fisherman who owns his own boat and fishing equipment can borrow money to improve his capital equipment differ throughout the industry and in different regions of the country. In general they fall short of the opportunities which are open to small urban business owners and to farmers.

Fisheries

In the fisheries, short-term or seasonal credit is provided mainly by fish buyers, supply houses, merchants, credit unions and, to some extent, by the banks. In addition there are provincial loan boards in some of the provinces which provide long-term credit to fishermen for the purchase of larger boats, as part of the provincial economic development programs. The government feels that additional credit facilities should be particularly useful in the field of intermediate-term credit. We believe that a gap exists so far as this type of credit is concerned, and it is hoped that the proposed act will put the fishermen on an equal footing with farmers with respect to bank borrowing to meet their capital needs.

In short, we hope this act will enable fishermen to borrow from the banks for periods of, say, two to eight years for the purchase or major repair of boats, engines, gear and the like. This will not only improve the lot of the average fisherman but, in those cases where fish-processing companies are thereby relieved of the need to lend money to fishermen for capital improvements, it will also mean a lesser demand on the working capital of these processing companies and, consequently, an improvement in their competitive position.

Perhaps I could intervene here in order to explain the various ways in which fishermen across the country get what intermediate credit is available to them. In the province of Newfoundland it is almost entirely given by merchants in the little outports. It is very seldom in the form of cash but generally in the form of credit.

In Nova Scotia it is a combination of credit by the merchants and credit by the fishing companies. The fishermen who work for fishing companies will get credit from the fishing company for the improvement of their boats and gear. The fishing companies, of course, borrow that money on their credit standing from the chartered banks. In British Columbia it is almost entirely from the fishing companies. The major fishing companies of British Columbia have millions of dollars outstanding in interim credit to fishermen for the purchase and improvement of their boats and gear.

The situation is not very satisfactory either to the fishermen or the companies. The companies have to borrow money for purposes other than the processing of fish. The fishermen who obtain loans from these companies naturally feel bound to them as far as the sale of fish is concerned, and so perhaps have not the full advantage of a competitive market.

[Mr. Sinclair.]

The introduction of direct bank loans to the fishermen will remove both these difficulties. It will remove from the companies the obligation or necessity of advancing such moneys which they have to borrow from the banks, and it will give the fishermen the opportunity to borrow directly from the banks and so will relieve them of any direct tie in with the company which might affect the way they choose to sell their fish.

Returning to the statement of the Minister of Finance, for these reasons it is thought desirable that facilities similar to those provided under the Farm Improvement Loans Act should be made available to the fishermen. Since the enactment of the Farm Improvement Loans Act in 1945, over $500 million has been provided through bank loans to farmers for the improvement and development of farms. A certain proportion of these loans is guaranteed by the government and, as is well known, the actual amount of loss over the years has been small. On the whole these farm improvement loans have been of considerable value in the improvement and mechanization of Canadian farms.

The Farm Improvement Loans Act has ensured that credit facilities are available to farmers at reasonable rates of interest and for sufficiently long terms. The scheme under which these loans are made takes advantage of the existing network of branch banks, and the government guarantee has had the effect of encouraging the banks to engage in a new field of bank lending. As a result, Canadian farmers have benefited from a cheaper and more efficient method of financing the purchase of farm implements and equipment. It is hoped that similar methods will prove of use to fishermen and enable them to take advantage of more efficient methods of operation.

I feel it necessary, however, to point out that these objectives cannot be realized overnight, and that we must be prepared for fairly slow progress. Fishing communities are more scattered and isolated compared with the average farm settlement, and bank facilities are not easily accessible to all of them. It is to be expected, therefore, that additional bank lending, even under a government guarantee, will only develop gradually. Mind you, that was the picture, too, of loans under the first Farm Improvement Loans Act. The actual progress was very slow the first year or two, but when knowledge of the plan became more widespread and the banks became more accustomed to this type of loan the rate of lending increased very rapidly.

I turn now to the provisions of the proposed act. Simply stated, the act lays down the general conditions which the banks must meet in order that their loans to fishermen can be covered by the government guarantee. Of necessity the details governing these and other aspects of the scheme must be left to the regulations. In order to offset the special risks of bank lending in a relatively new field, and to provide a reasonable incentive for the banks to expand their business in this direction, each bank will be guaranteed against loss up to 15 per cent of the total amount of its loans where the aggregate amount of its loans does not exceed $500,000. A guarantee of 10 per cent will be applicable to the total loans made by each bank in excess of $500,000—a 15 per cent guarantee on the first $500,000 and 10 per cent on loans above $500,000. Any amount payable to a bank under the act will be paid out of the consolidated revenue fund.

I would hope that this guarantee will diminish the obstacles to bank lending in the fisheries, or compensate for them. Our previous experience with loans made by the chartered banks under a partial government guarantee to farmers, veterans and home owners has shown that the banks have been fully co-operative. They have expanded their operations in these directions and this experience, along with the efficiency shown by the banks in these operations, give us good reason to look with confidence toward the improvement of the fisheries in this regard.

Of course it will be necessary to fix an over-all limit to the total amount of loans made by all banks to which this government guarantee will apply. Having considered the annual capital requirements of the primary fishing industry, a ceiling of $15 million over a three year period was thought to be reasonable. At the end of the three year period it will be appropriate to reconsider the adequacy of this figure.

Mr. Macdonnell: Revolving?

Mr. Sinclair: It would be, yes. I may say that as Minister of Fisheries I think this figure is more than adequate for the first three years.

The purposes for which bank loans may be made are broadly defined in the act and include every kind of permanent improvement associated with a primary fishing enterprise. Loans may be made for the purchase or construction of a fishing vessel or the hull, superstructure or engine of the vessel; the purchase or construction of shore installations, and the purchase, construction, repair or alteration of any building used in a primary enterprise, such as a net loft, for example.

I should point out, perhaps, that the act does not make provision for loans for home improvement. As you know, this type of borrowing from the banks is provided for under the National Housing Act. It is quite true the Farm Improvement Loans Act now provides for home improvement, but that came in only after several years of operation.

Guaranteed loans will be confined to bona fide commercial fishermen. The conditions of eligibility are not onerous, but a borrower will be expected to have a financial stake in fish-catching equipment appropriate to the type of fishery in which he is engaged. It is not intended to make the benefits of this legislation available to commercial fishing enterprises, that is, plants ashore.

The provisions in the act dealing with the taking of security are substantially the same as in the Veterans Business and Professional Loans Act. It is intended that the security requirements to be laid down in the regulations will be flexible and will be appropriate to the conditions and practices of the different fisheries.

The maximum amount which may be borrowed by a fisherman has been set at $4,000. The maximum period of repayment will be eight years and the regulations will set forth appropriate terms for loans of various amounts. The rate of interest which the bank may charge on loans will be 5 per cent, the same rate now applicable to farmers. The regulations will give guidance in the matter of down payments and the frequency of instalments. As far as is practically possible, the terms and conditions of loans will be such as to conform with the individual circumstances of the borrower, having in mind the size and purpose of the loan.

Among other things, the act will make provision for regulations and the measures which the banks must or may take in the event of default. This follows largely the example set in the Farm Improvement Loans Act.

I should add that although we already have on the statute books a Canadian Fisherman's Loan Act, this act has proven unsuitable to the needs of fishermen. Very few loans have been made under it, and it is therefore intended that no further loans shall be made under this act when the proposed fisheries improvement loans act comes into force.

The Canadian Fisherman's Loan Act was enacted in 1935 as a companion act to the Canadian Farm Loan Act. It is chapter 52 of the statutes of 1935. It provided for only long-term loans and security by mortgage on the fisherman's land and home. It has proved of very little advantage. In the last report of the Canadian farm loan board, that for

1954, they say there have been only 79 loans under the Canadian Fisherman's Loan Act since it was passed in 1935, totalling $40,000, and there are only eight of these loans outstanding today. That act will be repealed when this act comes into effect.

Mr. MacLean: Mr. Chairman, coming as I do from a province where agriculture is our first industry in importance and fisheries our second, I am very conscious of the comparison and contrast between federal legislation dealing with agriculture on the one hand and with fisheries on the other. We are all familiar with the legislation placed on the statute books at various times dealing with certain phases of the two industries—production, research, marketing and long-term credit. There has been similar legislation in both fields. But for a number of years now, as the minister has pointed out, there has been provision under the Farm Improvement Loans Act for intermediate-term loans to farmers. I think most farmers will agree this is most useful legislation, and that it has been very successful and has fulfilled very well the need for which it was designed.

In contrast to that, until now, for reasons which the minister has pointed out, the same type of credit was not readily available to fishermen. Fishermen in the maritimes at least have suffered from that lack of credit. The circumstances under which they have laboured have been a handicap to them. Therefore the legislation forecast by the resolution is, generally speaking, welcomed by this group because we feel if it is as successful as the Farm Improvement Loans Act it will certainly meet a very considerable need.

However, there is one thing I should like to point out. When credit of this type was not available to fishermen through the banks in certain areas of the country the fishermen formed credit unions. These credit unions have financed this type of loan for a great many years.

It has occurred to me to wonder whether consideration has been given—I presume it has, or I hope it will be—to the position these credit unions will now occupy when this legislation guarantees loans from the banks. Perhaps loans from credit unions will not be guaranteed by this legislation; I am not sure of that. I would hope the Minister of Fisheries and the Minister of Finance would both carefully consider the possibility of including loans made by credit unions to these fishermen, and treating them the same as loans made by banks. This would avoid putting the credit unions in an unfavourable credit position with the banks, after they have served the fishermen well for a number of years so far as intermediate-term loans are concerned.

Having said that, I think I might say that in principle it would seem the legislation forecast by this resolution will improve the position of the fishermen. I should like to say again that I hope the position of the credit unions, which in many cases are owned by the fishermen themselves, will not be forgotten, and that consideration will be given to incorporating into this legislation a provision guaranteeing loans made by credit unions. After all, the fishermen contributed to these unions and in that way worked out their own financing problems for some years.

Mr. Cameron (Nanaimo): Like the hon. member who has just taken his seat, I rise to welcome this legislation. My constituency has a large fishing interest. There are one or two points about the legislation as outlined by the minister which I think bear some comment.

It does seem to me that the top limit of $4,000 is rather low in view of the present-day engine and hull prices. I am sure the minister will agree with me that $4,000 does not buy very much of a fishing boat at today's prices and in the light of today's technical requirements.

I wonder whether any consideration has been given to the possibility of making loans to fishing partnerships. I have in mind this sort of situation. We have on the Pacific coast a number of seiners that are owned in partnership, perhaps two or three members of the crew being the owners of the vessel. In some instances of which I know all six or seven members of the crew share in the ownership of the vessel. I wonder whether any provision may be made to permit such individuals to pool their borrowing eligibility under this new legislation.

The same argument might apply even to such types of operation as gill netting. The minister may be aware that large gill net vessels on the Pacific coast often require two men for efficient operation. It would seem to me that if two men in partnership were permitted to operate under the terms of this act it would be much more effective.

Then there was some reference to shore installations. I presume, judging by the later comments of the minister, that this was meant merely to apply to comparatively modest shore installations. He mentioned a net loft, though even that is a fairly extensive proposition. I presume it would not include anything in the nature of really elaborate shore installations, such as are owned by

the large commercial fishing corporations. I wonder whether any consideration has been given to the installations of such an organization as Kyuquot trollers on the west coast, a co-operative organization with which the minister will be well acquainted. It is one of the most successful of our fishermen's co-operatives on the Pacific coast. For a number of years they have maintained not so much shore installations as what we on the Pacific coast call fishing camps for the collecting of the fish and the circulation of groceries and supplies the fishermen require. Here again it seems to me the same type of combined loan to all the members on their joint property might be of considerable value.

I should like also to support the contention of the hon. member who spoke just before me concerning credit unions. We have one of the largest credit unions in the city of Vancouver, the gulf fishermen's credit union. It is a very efficiently run organization, and has been supplying a great deal of the financial requirements of the fishermen during these years.

I should like to see some provision made to help the credit unions continue this sort of work, rather than perhaps place them in such a position that they will wither away and die. It is not merely for loans for fishing equipment that the credit unions have been valuable to the fishermen, but to meet other types of expenses as well. It would be a great loss to them if the credit unions were obliged to fail on account of what would virtually be government subsidized bank competition.

With these few remarks I should like to say again I am certainly happy to see this legislation introduced. I am quite sure the fishermen on the Pacific coast will benefit greatly from it.

Mr. Patterson: I rise to express my appreciation of this resolution that is now before us, and to give it our support. For some time now the fishermen have felt that in some respects they have been placed at a disadvantage. They have looked around and seen the facilities that have been placed at the disposal of those engaged in other industries, and then compared their own limited facilities. This has led them to believe they have been at a disadvantage. I am sure the measure now before us will receive the wholehearted support of the fishermen, and they no doubt will express their appreciation of it.

The minister has made a statement outlining some of the features that will be embodied in the bill. At this time it is not possible for us to comprehend all that is involved, so we are going to leave any further comment until the bill is introduced. However, let me again say we welcome this measure and intend to give it our support.

Mr. MacEachen: Like other hon. members who have already spoken on this measure, I want to congratulate the Minister of Fisheries for introducing the legislation forecast by this resolution. Since he has been minister the fishermen of the Atlantic provinces have become accustomed to getting constructive measures from his department, and this is simply another constructive measure in the series already adopted under his leadership.

The effect of this legislation will be to assist in the further capitalization of the fishing industry of the Atlantic provinces. In reaching that objective the legislation will be meeting one of the real, historic problems of the fishing industry in the Atlantic provinces. The need for the modernization of the fishing industry in production, distribution and processing has been already underscored by persons who are very familiar with that industry in this country. One of the great difficulties in attacking this modernization has been the lack of available capital for the development of modern equipment for production, distribution and processing.

In 1945, when the provincial government at Halifax appointed its royal commission on provincial development and rehabilitation, Professor Dawson, the chairman of that commission, retained the former deputy minister of fisheries, Mr. Bates, to investigate the condition of the fisheries in the Atlantic provinces, more particularly in Nova Scotia. I think it was as a result of the masterful analysis of the industry made by Mr. Bates that we have obtained so many commendable improvements in the industry.

I am sure it will surprise hon. members to learn that as late as 1940 the investment in fishing vessels in Nova Scotia was $3·1 million and in gear was $2·5 million. The total investment in catching equipment as recently as 1940 in Nova Scotia was $5·6 million, which represents an average investment per fisherman of something like $800. This of course has reflected very seriously in the type of craft the average fisherman could use. It was reflected also in his range from the shore, and also in his great dependence on the weather. So the fisherman in the maritime provinces was always handicapped by the instruments with which he had to pursue a very difficult and hazardous occupation. The result was that over 80 per cent of the fishermen of Nova Scotia had to depend for their incomes upon the types of fish that were easily caught along the shore.

This lack of capitalization in the fisheries of Nova Scotia resulted from the fact that no credit agency ever interested itself seriously in providing loan facilities for the fishermen. As the minister pointed out in his remarks, the fishermen depended primarily for the satisfaction of their credit needs upon the fish exporter or the local merchant, which resulted in a type of feudal bondage in the fishing communities of Nova Scotia that has been very difficult to eradicate, and has been one of the real obstacles to improvement in the industry itself.

Also the general unprofitability of the industry, in the thirties particularly, led to a condition in which no facilities were provided either by the life insurance companies, the mortgage companies or the trust companies to service the credit needs of the fishermen of the province of Nova Scotia. It was also realized that this lack of credit facilities, and the development of this relationship among the exporter, the local merchant and the fisherman, should be remedied. Great efforts were undertaken through the credit union movement in the maritimes to overcome this condition.

However, the development of credit unions was not adequate to provide long-term credit, although it did make an excellent contribution in providing for the short-term credit needs of fishermen of Nova Scotia. At that time the credit unions undertook a very difficult task in offering loans to fishermen whose gear and boats were never insured, and indeed who had very little security to offer to the credit unions offering the loans.

Therefore I wish to join with the other hon. members who have spoken in urging that the minister consider allowing credit unions to become lending agencies under this proposed legislation. The credit unions of Nova Scotia have an excellent history of sound and trustworthy business operations. Since the organization of the credit unions total loans of approximately $40 million have been made to their membership. Of that amount only $37,000 has been charged against the guarantee fund. During the same time in New Brunswick a total of $34 million has been lent and only $12,000 has been written off by way of bad debts. The result is that we can offer evidence of good and trustworthy credit institutions.

The credit unions, in many instances, are completely owned and operated by the fishermen. Furthermore they are located in small villages which normally are not served by the chartered banks. In addition to this, in the operations of many credit unions there is a loan protection insurance contract which insures that upon the death or total disability of the borrower, the loan is paid off.

Because I believe the inclusion of credit unions would indeed enhance the operations of this proposed measure, and would enlarge the number of outlets for service to the fishermen, I suggest that some further consideration be given to the institutions which really assisted the fishermen in those days when the normal credit organizations in the country regarded fishermen as poor risks.

Let me say in conclusion that the credit unions have taken a keen interest in the whole social and economic evolution of the many fishing villages in which they operate. For that reason I am sure they would be among the very first who would attempt to take advantage of the terms of this proposed legislation.

Mr. Macdonnell: The minister referred to the fishermen's indemnity fund. Could he give us the figures in that connection?

Mr. Sinclair: On my estimates.

Mr. Macdonnell: Could he give us some information about the losses sustained in connection with farm improvement loans? I understand they are small. Perhaps he could give us a rough figure on that. Also I would ask what security the government demands. In connection with loans on land, of course they are very simple and easy to give, and facilities are available everywhere. Is there any difficulty in connection with fishermen giving security? Is there any problem connected with local laws which would make it difficult to do that, in a general way?

Mr. Sinclair: I understand the local problems to which the hon. member refers. Most of the coastal provinces have legislation forbidding the seizure for debt of a fisherman's boat or gear. Those are considered to be the implements of his trade. But our legal officers point out that in this instance the fisherman voluntarily enters into a covenant in the nature of a mortgage on his boat or engine, in return for this loan. Our legal authorities are assured that this sort of agreement can be entered into legally. So the security of course will be the fisherman's boat or gear, which will of course be covered by insurance.

Then, so far as the fishermen's indemnity fund is concerned, that is in fact an insurance scheme for small fishing vessels. We have the full details in our records for three years of operation.

Mr. Macdonnell: Speaking generally, has it been successful?

Mr. Sinclair: Yes; we have been able to increase the coverage in British Columbia

for the same premium, because the premiums coming in have been much greater than the losses. In the maritime provinces we have just about broken even on vessel insurance, but have lost a little on gear insurance. We are trying out one form of gear insurance, lobster trap insurance, to find out whether it is possible to insure gear—that is, gear in the water.

Mr. Balcom: Mr. Chairman, I wish to give my hearty support to the principle behind this resolution. It is another important step in the progressive legislation affecting the fisheries enacted by this government in the past few years.

We hear much these days of productivity and its vital importance to a prosperous industry. We tend to think that efficiency and mechanization are more important to manufacturing and mining, perhaps, than they are to the fishing industry. I would like to put the emphasis the other way and point out that modern equipment not only means greater take-home pay to the fisherman, but it is also important to his safety and at times even a matter of life or death. This fact has been obscured because the fishermen have had to make do with what they could obtain on their own or on the credit of local merchants and processors. The very hazards of the industry have prevented the banks from providing much needed credit for the smaller individual fisherman.

The first steps to alleviate this problem were taken in 1953, when the government made provision for cheap insurance for smaller boats and gear. At the same time protection against extraordinary losses to lobster traps was afforded under an insurance scheme administered by the Department of Fisheries. These measures set the stage for the extension of bank credit, and with a guarantee against a proportion of losses proposed in this bill they should assure a flow of much-needed capital to the industry.

I should like to join with the hon. member for Inverness-Richmond and the hon. member for Queens in their statements regarding credit unions. We have many credit unions in Nova Scotia and we have the credit union league of Nova Scotia at Antigonish which is affiliated with the credit union national association. There were times during the years when fishermen found it absolutely impossible to obtain any loans from the banks, and it was through these unions that they got into business, sometimes in a small way and at other times on quite a large scale. I would ask the Minister of Fisheries and the Minister of Finance to give every consideration to the credit unions so they may come under these guaranteed loans. As a matter of fact, today in Nova Scotia the credit unions play a large part in our economy.

As with the Farm Improvement Loans Act, this legislation is designed to be of assistance to the smaller fisherman. The loans are limited in size and term, and will be taken up mainly by the inshore fishermen. This, however, should not be taken as an indication of the government's paternalism to this aspect of the industry. The companies operating trawlers and associated processing plants can usually arrange their own financing because of the nature of their assets.

It should be emphasized that the inshore and offshore fisheries are really two different industries rather than competitive parts of the same trade. The lobster fishery, for example, is prosecuted entirely by inshore fishermen, and it is very important to all of us that the largest possible catches be obtained. Last year the volume landed in Nova Scotia was 22,971,000 pounds, with a value of $8,838,000. Almost the whole production was exported to the United States. There is no problem in marketing fresh lobsters from Nova Scotia, and the more our fishermen catch the more United States dollars Canada earns.

I am indeed sorry to learn, and I find it very hard to understand, that the bill does not include a provision for improving the living conditions of fishermen's families similar to that guaranteed in the Farm Improvement Loans Act, by facilitating the provision of electrification, refrigeration, heating and water systems in their homes, and other improvements to reduce work, particularly for women in the home; for we must recognize that fishing, like farming, is not only a means of livelihood but is also a way of life. The fisherman and his family are entitled to the benefits of our modern society, provided that their enterprise is soundly based. While we all admit that the fisherman's lot is a hard one, we state emphatically that it is soundly based.

Mr. Bell: I should like to indicate generally my interest in this piece of legislation. I think it will be accepted by the fishermen in the harbours and along the coast of New Brunswick. I have three hopes I should like to express, that I should like to see in the bill when it is introduced by the minister.

I mention first of all the regulations. They will be separate from the bill, and I express the hope that they will not be too rigid, too strict or too difficult with respect to loans. We all know that while the farm loans have been fairly successful they have been quite

difficult to obtain, and we hope the fishermen will find it a little easier to obtain the small loans they need for their equipment.

The minister mentioned that the loans will be confined to bona fide fishermen. I would hope that the interpretation of this expression would include fishermen who are on a part-time basis, and even some who may be on a sharing plan. These are the small operators who have other occupations. They do other work in the winter, and when the fishing season rolls around they take to the harbours along the coast to fish for salmon and gaspereau. We hope they will be included, because this is one group who will be very much in need of assistance such as this.

Third, the insurance problem was not made clear to me. I know that insurance was mentioned. The minister said the equipment would be insured. I am wondering whether a mutual scheme is being considered. Perhaps that would be the best method. I am wondering whether the responsibility for insurance will fall on the fisherman. Perhaps the mutual plan would be a little more desirable from the fisherman's point of view.

With these reservations we welcome this legislation. It has been said that this is the second stage. The first stage was low-cost insurance. I hope there will be a third stage. I was pleased to hear the other day that consideration was being given to unemployment insurance. I hope that is another stage in meeting the demands of the small fisherman. The department and the minister generally have been making quite an effort for the fisherman. It has been directed mainly toward the offshore fisherman, as has been admitted. We hope this is another stage in the plans of the department, and that they will consider those people who will always be small operators but who perform quite a duty in our everyday life on the east coast.

Mr. Gillis: Mr. Chairman, it is getting on to six o'clock. Ordinarily I would not discuss a resolution preceding a bill, I would wait for the bill; but in this particular case I am pretty sure the bill will not contain one of the features which I would like to see included in it.

Some three weeks ago I received telegrams from the secretary of the Nova Scotia credit union league and from one of the directors of the Nova Scotia co-operative union, asking me to determine on the resolution preceding the bill whether the legislation would contain a provision under which credit unions would be given the same privilege as the chartered banks. I checked with the people in the Department of Finance who would know, and after some time I was informed from that source that the provision I was thinking about, that the bill would be applicable to credit unions in the same way as to chartered banks, would not be in the bill.

So at this time I am going to argue, maybe at some length, why I believe what I want should be in the bill, in the hope that we may be able to persuade the minister to carry the matter a little further before the bill comes in.

Would you call it six o'clock, Mr. Chairman?

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Gillis: Mr. Chairman, for a minute or two before six o'clock I was making a few remarks upon this resolution that precedes the bill. At that time I had pointed out that ordinarily I do not discuss a resolution preceding a bill but rather wait for the bill itself. However, in this particular case, after I saw this resolution on the order paper some three weeks ago and after others saw it outside the house, I received some correspondence and telegrams.

I mentioned two; one was from the treasurer of the Nova Scotia credit union league, and the other was from one of the directors of the Nova Scotia co-operative union, suggesting that I might get in touch with the people in the finance department who would have to do with the drawing of the bill and determine whether it was the intention of the government, in the bill that will come in after this resolution is passed, to bring credit unions as such within the scope of the legislation; that is, to find out whether it was the intention to provide for that chain of finance in what is being provided for the chartered banks by the proposed legislation.

After probing the matter with people in the finance department who, I suppose, checked it carefully with their officials and advisers, I was told this. You might as well make your speech, because that particular chain of finance is not going to be included. So at this time, before the bill is finalized and brought into the house, I am going to offer some arguments as to why I think the credit union chain of finance across this country should be included in the bill.

When the bill is brought forward, Mr. Chairman, it will embody exactly the same principle as that embodied in the Industrial Development Bank Act and the Farm Improvement Loans Act. The industrialist who

wants to expand his plant through the industrial development bank, or who wants to make additions to it, can go to the chartered banks and borrow a certain amount of money with the government underwriting the risk. The same thing is true with respect to the farmer under the Farm Improvement Loans Act. In the final analysis it is the taxpayers of Canada who accept the risk in that particular line of investment. I cannot see any reason why in this particular bill, if the taxpayers are going to underwrite the risks for the chartered banks, it is not possible for the government to include what is a fairly well established chain of finance across this country today, namely the credit unions.

I should just like to point this out, Mr. Chairman, with regard to the desirability of bringing the credit unions under this bill as lending institutions. I was associated with that movement for a long time, and I am still a participating member. I can remember the situation back in the 1930's. We were at that time living in what I considered to be a rather hopeless world. There was not much to fasten on to. Everybody was unemployed. Everyone was seeking a way out, and nobody seemed to know the way. At that time, when St. Francis Xavier University decided that at least they were going to try to do something, they proposed the setting up of study groups throughout the province. I might say I helped them in that matter. We began to study the possibilities of doing things for ourselves. At that time it looked to us as though the mechanics of society, as we had known them, had pretty well broken down and that there was not much hope.

When that credit union movement first started, with nobody seeking any remuneration but merely trying to establish an objective that would give people something to fasten on to by way of changing the mechanics of society, we were laughed at fairly generally. We were called the new bankers. I can remember quite well that I helped dig postholes for about the third credit union that was established in that province. We put on an excursion. We gathered a bit of money. We obtained some material. Then we dug the holes for the concrete posts on which we put our first building.

Of course we were ridiculed. There were not many of us then. But today that organization has proved itself. In this particular field—the field of the fishermen, right from the Gaspe coast clean through to Newfoundland—that was the movement that came to their rescue. The banks were not interested. There was no collateral. You could not get a loan. The credit unions were formed, largely along the Gaspe coast; and I think it was equally true out on the Queen Charlotte islands on the British Columbia coast.

The fishermen today have their own means of credit. They built those local organizations into leagues in the provinces; in every province in Canada today there is a credit union act. In addition to the acts that look after the legal and accounting needs of the local credit unions, there is the credit union league where the surplus finances of the credit union units are pooled for the purpose of making long-term loans.

In addition to that, the scope has been expanded. It was only recently, I think in 1953, that the present federal government enacted the national credit societies act. The purpose of that act was to link up the credit unions of Canada from coast to coast under a national charter. Today, for all practical purposes, you have the national chain with all the mechanics that can be devised by government linking that national chain from coast to coast.

I am at a loss to understand why the government should take the position that credit unions cannot be included as lending institutions under the terms of this resolution. The provinces provide for check-ups. Every three months the books of every local union are audited by a government auditor. Reports are made monthly to the provincial treasurers. Every bit of protection that can be brought to bear on the organization, in making it responsible to its membership and in forcing it to care properly for its funds, has been brought to bear on it.

Prior to the setting up of the national credit societies act the unions operated provincially, but that is no longer true. With the mechanics set up under the national act today, this organization can make loans interprovincially. Suppose, for example, a province like Saskatchewan, where there is quite a large amount of development, wanted to invest money in Nova Scotia. The last figure I saw indicated that the combined assets of the credit unions in Saskatchewan topped some $27 million, but they are lending money to a much greater extent than that. If Saskatchewan, for example, wanted to invest money in Nova Scotia or in New Brunswick or on the Gaspe coast, by lending it to fishermen, there would be nothing to stop Saskatchewan from investing in this organization for that purpose, if credit unions were included as lending institutions under the legislation that is being brought in here. There is no reason in the world why it should not be done at this time, unless the government decides not to do so.

I want to make it very clear that this is not a plea by any particular party in the

house. Nobody has a monopoly of the field with which we are dealing this evening. The remarks of hon. members on the government side of the house, the hon. member for Inverness-Richmond and the junior member for Halifax, the remarks of the hon. member for Saint John-Albert and of several from this group, have indicated very clearly to the government that this is not a partisan move at all. It is a move that I think practically every member of the house will agree with, provided cabinet council or the advisers of the Minister of Finance say that the proposition is practical.

Let me call another important and very good witness from the other side of the house. He puts the case for the proposition perhaps much clearer than most of us could. Some time ago I happened to pick up an address delivered by the Minister of National Health and Welfare to the Stoney Point co-operative at St. Joachim, Ontario. In that speech he dealt with the purposes for which co-operatives were formed. The minister's speeches are always very good reading. They contain a lot of logic, are forward-looking, and he is a very good witness at this time. In speaking on the subject I am commenting on at the present time he said at page 3 of his speech, along with a lot of other good advice:

> In 1953 parliament passed the Co-operative Credit Associations Act which provided a legal framework for the co-operative credit structure in Canada.

If the minister's cabinet colleagues and the advisers of the Minister of Finance take the minister's words literally, in the way he intended them, they will realize he was pointing out to the co-operative group which he was addressing that the government had passed an act to set up a new financial structure in Canada under which it is possible for credit unions from coast to coast to pool their resources and sponsor any desirable project in any part of the country.

Mr. Sinclair: Will the hon. member permit a question?

Mr. Gillis: Yes.

Mr. Sinclair: The hon. member recalls, of course, that was a private bill and not a government-sponsored bill.

Mr. Gillis: It does not make any difference. The government certainly must have been favourable to it. Otherwise it would never have been passed.

Mr. Sinclair: There is a great difference between credit union societies coming forward to incorporate by private bill as federal companies and government-sponsored legislation in the financial field.

[Mr. Gillis.]

Mr. Gillis: I do not see any difference at all. The minister was taking full credit for it at this meeting. He said the government had passed the bill. That is all right, because if the government had not agreed it would never have been passed. I think they showed very good judgment at that time in passing the legislation, and I compliment the minister on making that clear to the people to whom he was talking. In his place I would have done exactly the same thing and would have never mentioned a private bill.

Mr. Martin: Did I not say that parliament passed the act?

Mr. Gillis: Yes, you did. I stand corrected, but that is merely a matter of quibbling with words. The government with its majority still manages parliament. However, I think that point is pretty well established. In referring to what I am arguing for at this time the minister pointed out that we should give these people the opportunity to finance their own endeavours through this new chain of finance existing in the country.

May I say here, Mr. Chairman, that as far as I am concerned if any sensible changes are to be made in the structure of society in future they will have to be based on more ownership for more people. Making loans available to fishermen for the purpose of expanding the fishing industry is one way in which more ownership can be placed in the hands of more people.

The fisheries industry, as the Minister of Fisheries points out very clearly every time I hear him talk, is undergoing a drastic technological change. The fishing industry, as well as almost every other industry in the country, is going through the process of mechanization. More and more the need for better equipment and larger boats for the shore fishermen is going to become apparent, for they are in danger of being swept off the water because of technological advances. The government has made provision for loans to companies for large draggers and trawlers, and the small fisherman is being pushed out of the picture. But if we can provide the means for him to join with his comrades in the industry in the pooling of their resources through the medium of a credit union, thus enabling them to secure larger boats and fish on a co-operative basis, I think we will meet the problem confronting the shore fishermen at the present time. I seriously suggest to the government that before the bill is finally adopted more consideration should be given to the possibility of including credit unions as lending institutions within the meaning of the legislation.

I wish to refer again to the very excellent speech made by the Minister of National Health and Welfare. I can tell those who are interested in the question of credit unions and co-operatives that it is good reading. Every member of the house should have a copy of it. The reason I am referring to it at this time, Mr. Chairman, is to underline the non-partisan attitude that has been taken by members who have spoken on the subject both in the house and outside of it. At page 5 of his speech the minister goes on to deal with the development of credit unions, and I think I will put his words on the record because they are much more eloquent than any words of mine would be.

An hon. Member: Don't quote too much.

Mr. Gillis: I am trying to get credit unions included. The minister said:

> The late Alphonse Desjardins, a *Hansard* reporter from Levis, founded in the year 1900 the first credit union anywhere in North America.

That should swing around our Quebec members. The idea had its very roots in the province of Quebec. The minister continues:

> Today, there are no less than 3,600 credit unions and caisses populaires, having a total membership of close to 1,500,000 people. Many of these credit unions have established provincial co-operative credit societies in order that the service they offer to their members may be more flexible and comprehensive. The co-operative financial structure is strengthened by the existence and growth of co-operatives in the closely related field of insurance.
>
> A few years ago I had the privilege of visiting St. Francis Xavier University at Antigonish, Nova Scotia, an institution which holds an honoured place in the development of the co-operative movement in Canada. At that time I had the opportunity of studying at first hand the bold and far-reaching program of the university's extension department which, under the direction of Dr. M. M. Coady and the late A. B. MacDonald achieved such remarkable results throughout the surrounding countryside.
>
> In the little fishing villages of Nova Scotia and in the mining centres across the straits of Canso in picturesque Cape Breton Island, I saw stores, banks, lobster factories and other community undertakings that had been developed under the guidance of men like Dr. Coady, Professor MacDonald, and the late Reverend Dr. James Tompkins, the beloved "Father Jimmy", whose name will always be associated with the pioneering project in co-operative housing at Tompkinsville, Nova Scotia.

I must say I compliment the minister on the research he did in bringing the story up to date. This speech from which I am quoting was delivered on March 22, 1955, so the statistics are right up to date.

I should like to point out further, Mr. Chairman, that in so far as Nova Scotia is concerned—I think it is equally true of New Brunswick and the west coast—there is hardly a section of the province where this legislation would not be operative if credit unions were included. For example, many people think of the town of Glace Bay and the cities of Sydney and Halifax as industrial sections. In each of those towns and cities in which there is a credit union functioning, a large percentage of the membership of those credit unions is made up of fishermen, as the minister knows. The town of Glace Bay is looked upon as a mining town, but one of the largest swordfishing industries in the country is located there, in addition to a large fish plant and a fishing fleet.

I know the important problem there is for the shore fishermen to improve their boats and equipment in order to avoid being run off the water by the larger trawlers. By accepting the recommendation that loans be made available to fishermen in this way you are covering the whole country. You would not only be benefiting the fishermen but you would have the backing of every section of Quebec, I believe—at least the Gaspe coast—New Brunswick and Nova Scotia. I would certainly suggest, Mr. Chairman, that before the government puts this legislation in final form they give every consideration to amending it so credit unions will be included.

Again, as the Minister of National Health and Welfare points out, taking into consideration the world situation, the uncertainties of our times and the contending philosophies in our society, the crux of this whole threat of communism is contained in what the communists offer. What are they offering? They are only offering one thing. There is only one attractive part of their appeal; that is when they say, "Give us power over you and in return we will take the land from the landlords and give it to the peasants." Is that not their appeal? What is their appeal to the industrial workers in countries in which there are low wages, poor housing, slums and all the rest of it? Their appeal is when they say, "We will take control from the monopoly; we will decentralize industries, break them up into small blocks and give you, the proletariat, a share in the management and a share in the profits." They never do it, but that is their appeal.

In my judgment the only answer to that appeal is to improve the mechanics of society in this country, and all the free countries, so that every person can have a share in the development of the country. If we permit the fishermen and those associated with them in the credit unions the opportunity of sharing in the development of the resources of the country, then we are distributing to them individual ownership in proportion to the amount of capital they are able to put into

an endeavour through their credit unions. The minister recognized that when he said on page 7 of his speech:

> Surely at no time in the world's uneven history has it been more essential for men and nations to foster and to maintain the ideals that have been the inspiration of these co-operative endeavours. In these times, when the godless philosophy of totalitarianism threatens the very foundations of our freedom, we must not lose sight of the vision of all men bound together by ties of understanding and co-operation. For nothing is more needed at this stage in the affairs of men than to bring to the relations between nations an appreciation of the value of co-operation and a recognition of the primacy of human welfare.

That, Mr. Chairman, is what I tried to say a moment ago, but the minister puts it in better language. I suggest that since we have already established a principle in two pieces of legislation, the industrial development bank and the Farm Improvement Loans Act, under which the taxpayers guarantee any risk that may be involved, we should now begin to test the principle enunciated in that speech by the Minister of National Health and Welfare.

As yet no member in this house has spoken against the proposal to include credit unions in the bill that is forecast by this resolution. There is a lot of common sense and the necessary machinery in this legislation if the government will get around to doing the sort of thing we are advocating here this evening. I trust that before the bill passes there will be a re-examination of it and the government will consider including credit unions.

If this is done, then for the first time we will be making a test on the national scale of the credit union leagues that exist across the country, buttressed by the Co-operative Credit Associations Act that now has all the legal mechanics to protect any investment that may be made through the medium of this legislation. We should now start to make a test of it, because in my judgment if we are going to retain a free world, a democratic society, then we have to begin giving the ordinary man an opportunity to participate in that democracy.

Mr. Ashbourne: I do not intend to take up much of the time of this committee, Mr. Chairman, but I think I would be remiss in my duty if I did not express, on behalf of the fishermen of Newfoundland, our sincere appreciation to the Minister of Fisheries and the Minister of Finance for the introduction of this measure. In my opinion this measure demonstrates again the great interest of the ministers in the toilers of the deep.

I feel that for too long, Mr. Chairman, the fishing industry has suffered from a lack of capital. While I know there have been

instances of cash loans to fishermen by firms which have been interested in assisting them by providing various means to enlarge their income, there has been a limit to the amount of capital these firms have had available to assist these fishermen. In some cases, owing to the long term of the financing, it has imposed a hardship on the firms which have advanced the capital and has been a means of tying up necessary funds which might be employed in further extending their operations.

It has been said that fishermen are small capitalists. I believe this argument has been advanced as one reason why unemployment insurance has not been extended to them. I should like to point out that generally speaking the incomes of some fishermen are very meagre indeed. It is not easy to build up the necessary resources from their small earnings to undertake the type of fishing we see in this day and generation.

It was my privilege this morning to be present at the opening plenary session of the fifth annual meeting of the international commission on the northwest Atlantic fisheries here in the railway committee room. As I looked around—the Prime Minister was there and addressed the meeting, and the Minister of Fisheries was also in attendance—and saw the ten countries represented at that meeting, I thought of the fishermen, the men who pull the fish out of the water, sometimes pull them out fish by fish, or catch them in their nets. These are the people who will be helped by the bill now before us.

I know this bill will encourage these hardy, industrious producers, and will put new heart in them. It will encourage initiative; because when a man knows that his income will be for himself, and that he does not have to pay a large amount of interest and a large share of the profits for nets and twines, charges that are made to these people who have to depend upon credit, he will realize that by going to the bank and obtaining a loan he can be in a position where he can purchase the necessary supplies including nets, twines and the like, as well as boats and other equipment necessary in his occupation. They can get this equipment more cheaply if they have the cash available with which to make the purchases.

The indemnity insurance, to which reference was made by the Minister of Fisheries, has been of substantial assistance to those engaged in the fishing industry. I know that the provision of loans by the provincial government in Newfoundland has been most helpful in making available some very necessary capital to assist the fishing industry of that province to set up additional plants for

the processing of fresh fish, and to have the industry operate along more modern lines.

This is a worthy beginning; and no doubt as time goes by certain amendments will be forthcoming which will provide additional coverage and additional benefits required by our fishermen. These additional benefits will be of great assistance to the fishermen and will meet other contingencies which may arise.

The standard of living of the fishermen in Newfoundland has improved in recent years. We want to make sure that this improvement is maintained, that there is no retrograde movement, and that as a result of long-term planning, something which is needed in the fishing industry, with additional capital, we shall see further improvements taking place in the matter of fishermen's earnings.

We realize that fishermen from other countries are coming over here to fish our banks —and may I point out that there are banks other than those which make money available for loans. I am thinking of those banks which do not close on Saturdays, of the Grand Banks in particular. Men are out there night and day, and when they go out to the banks they see trawlers from other countries which have come across here to take away fish which we have considered part of our resources. This is particularly true inshore. We know of course that in the waters offshore other countries can engage in fishing.

Only recently we know that Norwegian steamers have been operating off Newfoundland and Labrador, taking seals in considerable numbers. We know, too, that it requires capital to provide sealing steamers, and that it is not within the means of our fishermen, either singly or in groups, to provide sufficient capital to own and outfit steamers to go to the seal fishery. However, we do know there are some who go from Newfoundland, and that the fishermen who go out in these vessels, and engage in the dangerous occupation of catching seals, see fishermen from other countries coming in there with their ships. It is our belief that money should be provided so that our fishermen can engage in this occupation in a bigger way.

This resolution is a step in that direction. It will mean further expansion of the fishing industry, and I hope an improvement in the Canadian economy.

Mr. Langlois (Gaspe): Mr. Chairman, representing a district to which fishing is of vital concern to a large portion of the population, may I add my voice to those who have congratulated the Minister of Finance and the Minister of Fisheries upon their joint effort in bringing forward this most welcome piece of legislation. In saying this I know I am speaking on behalf of my colleagues from Quebec who represent other fishing centres in that province.

May I remind the committee that this measure follows closely one no less progressive introduced two years ago by the Minister of Fisheries, and which has been of immense value to our fishermen. I am referring of course to the fishermen's indemnity plan.

I do not wish to delay unduly the adoption of this resolution, and shall take only a few moments to offer two suggestions. The first of these has to do with the regulations to be made under the provisions of the proposed legislation. My suggestion is that these regulations be so made as to render the provisions of the act applicable to as many fishermen as possible.

Second, may I impress upon the minister the importance of the suggestion already advanced by some hon. members to the effect that credit unions or, as we call them in our province, les caisses populaires, be added to the banks as recognized lending institutions under the proposed legislation. In doing this not only would we be recognizing once again these most deserving institutions, but at the same time we would be providing more outlets where our fishermen could obtain loans, because these credit unions have branches serving the most remote fishing areas in Quebec.

I know the minister will give his earnest attention to these two suggestions. Once again on behalf of our fishermen I wish to thank him for the two progressive measures I have mentioned, particularly the one now before us.

Mr. Cannon: Mr. Chairman, I did not intend to speak on this resolution this evening, but when I heard the hon. member for Cape Breton South suggest that the scope of the legislation be enlarged to include credit unions I decided that I should put in a word to support his suggestion in the interests of my constituency of the Magdalen islands.

Unfortunately in the Magdalen islands we have but one bank, and it is not very generous when it comes to lending money. Therefore it would be very much in the interests of the fishermen of the Magdalen islands if the legislation were enlarged to include the credit unions, or the caisses populaires, as they are called in our province.

I wish to congratulate the Minister of Finance and the Minister of Fisheries on having introduced this very important piece of legislation. I do this particularly because it is another step in the direction I have

often suggested the government should take. Both the agricultural primary producers and the fisheries primary producers should be placed on the same footing. Gradually the very generous legislation that we have enacted so far to help the farmers, and particularly the farmers of the west, is being extended to the fishermen, and I welcome this new legislation as another step in that direction.

It will be particularly useful in the Magdalen islands because there a transition is taking place from inshore fishing in small boats to offshore fishing in larger boats. It takes some capital to build the larger boats. Although the federal government gives a grant of $165 a ton to build those boats, the men are not able to get the capital needed. Though they get help from the provincial and federal governments, they still do not get enough. At the present time there are only two or three of these larger boats fishing around the Magdalen islands. I hope this new legislation will permit the fishermen to borrow money and get the capital they need to build these larger boats during the transition from the small inshore fishing boats to the larger offshore fishing boats, and that this step will be accelerated in the interests of the fishing industry and of the inhabitants of the Magdalen islands.

Something was said about the standard of living in Newfoundland. It is improving. Well, the same thing can be said of the standard of living in the Magdalen islands. If we really wish to bring it up to the standard of living in the rest of the country we have to give more and more help to the fishermen. The step the government is taking is most welcome, and it will do a lot of good in my constituency.

Mr. Barnett: Mr. Chairman, I should like to add my voice to what appears to be a rising chorus on the part of hon. members suggesting the desirability of the government considering the possibility of bringing the credit union movement within the provisions of the proposed legislation. I know I need not remind the Minister of Fisheries of the large part the credit union movement has played in the life of the fisherman on the British Columbia coast, and how important it is to him. As I have listened to those who have taken part in the debate it has become obvious to me that this applies equally, if not to an even greater degree, to the fishermen on the Atlantic coast of this country.

I have not at hand a speech by a cabinet minister, at least of the kind I would like to quote from. I would not mind if I had another one like the one the hon. member for Cape Breton South used. If I had I would be glad to quote from it. However, I should like to suggest to the Minister of Fisheries a way in which he could co-operate with those of us who have spoken on this question previously and who have indicated our general interest in the measure as well as our interest in particular aspects of fishermen's finances.

I was glad to know that the Minister of Fisheries was able to persuade his colleague, the Minister of Finance, to permit him to lead off on this resolution. I have been wondering whether the Minister of Fisheries could not arrange that after second reading the bill be referred to the marine and fisheries committee. If that were done, perhaps we could get the Minister of Finance and his high finance colleagues into that committee and have a real session on the ins and outs of the measure, and get down to the practical points that have been raised. I know the Minister of Fisheries will recall that recently he himself appeared before a committee under the chairmanship of one of his other colleagues. I refer to the industrial relations committee. As a member of that committee I felt that it was a very successful venture. Possibly we could have a repeat performance of that kind on this measure, with his colleague the Minister of Finance present before the marine and fisheries committee.

Before I take my seat may I say that I have had a bit of personal experience with the credit union movement, enough to realize that if they were brought within the provisions of this type of legislation the risks to the taxpayers of Canada would not be greatly increased thereby. At one time I was treasurer of a small credit union in its early days. At that time that little credit union had lent a total of something over $50,000. During that time all that was written off as bad debts was the sum of $37.50. Over half of that amount had actually been written off on compassionate grounds. We should indicate to the fishermen that when parliament introduces a measure to assist them in financing to equip themselves to meet the changing conditions of their industry, which require improved equipment, we at the same time recognize the fact that in the credit union movement there is a very important organization that can assist them in financing their lifetime vocation.

I am glad to know that the bill is to apply only to those who are considered bona fide commercial fishermen. As far as British Columbia is concerned, at the present time I do not think any of us who are at all familiar with the fishing industry would want to have it otherwise. I do feel that an overwhelming

majority of the bona fide commercial fishermen in British Columbia would heartily support the inclusion of the credit union movement as such in the provisions of this legislation.

Mr. Kickham: I wish to commend the Minister of Fisheries on introducing this legislation to the house, because I think fishermen are entitled to legislation similar to the Farm Improvement Loans Act. This resolution forecasts very necessary legislation which the minister will bring in. As the minister suggested today, it is the beginning. After experience is gained from this initial legislation the minister will be in a position to bring amendments before the house from time to time.

I believe I am correct in saying, Mr. Chairman, that under the Farm Improvement Loans Act security is not taken on real estate but only on farm equipment, such as tractors. The chartered banks, I believe, take the bill of sale, which is the security the farmer provides for the loan that is given through the bank under the act. I should like to see this legislation extended so that real estate could be taken into consideration in the case of fishermen.

In our province of Prince Edward Island, in the past, assistance has been granted to fishermen for the construction of new boats, the purchase of boats, whether new or second hand, or the purchase of equipment such as engines, trawls, nets, and other equipment the fisherman needs for the small inshore boats. Within the last three years this assistance, given through our department of industry and natural resources, has also been extended for purchases of drag nets.

This department of industry and natural resources in our province has set up what is known as a fishermen's loan board. The applicant fisherman sends his application to this board for review, for rejection or approval as it may see fit. The loan board has done an excellent job for the fishermen in our province. I am very pleased to see that our draggers in the province of Prince Edward Island are doing exceptionally well. Last year our provincial government under Premier Matheson's administration passed legislation setting up what is known as the industrial assistance act, which gives assistance to processors of up to 50 per cent of their initial cost of constructing plants and the equipment necessary for the processing of the product.

Like the hon. member for Comox-Alberni, who has just spoken, I myself was at one time treasurer of the credit union. I have always been greatly interested in fishermen's and farm co-operatives. I should like to offer the suggestion to the minister that credit unions should be included as a loaning agency, as well as the chartered banks. I do not believe that our credit unions in Prince Edward Island at this time figure very largely in loans to fishermen. I repeat what I have already said, that the greater number of our loans to fishermen are granted through the fishermen's loan board under the department of industry and natural resources. Perhaps the minister would consider that suggestion and also include credit unions. I believe in the provinces of Nova Scotia and Prince Edward Island they figure quite largely as agencies for providing loans for inshore boats and draggers.

Mr. Stuart (Charlotte): Mr. Chairman, like the other hon. members who have spoken I shall be brief. I should like to assure the Minister of Fisheries and the Minister of Finance that this legislation will be welcomed by the fishermen on both coast lines, and perhaps to the same extent in the central part of our country. For a great many years several members in this chamber representing fishing constituencies have recommended insurance for equipment, and we now see that legislation on our statute books. We have also asked for loans to fishermen which I believe should have been considered before this time. I have always felt that all primary producers should be placed in the same category. Nevertheless we welcome it, and we wish to thank those responsible for the legislation coming forward at this time.

There is just one pessimistic note I have to express. I fear that fishermen may take it for granted that this legislation will take in more territory than it is planned to take in. I also fear that at least a small percentage of the fishermen may not qualify for loans, and there will be disappointment. Nevertheless it is a step in the right direction, and I hope it will provide the assistance we believe it will provide.

The fishermen's insurance plan which was introduced two years ago included at the outset lobster traps only. It has been broadened since that time, and now includes other equipment. This legislation, I have no doubt, was designed the same way. It is entering a new field and we must move cautiously. I would hope that in the future the legislation would be broadened so it would be perhaps of greater help to a greater number.

It has been mentioned tonight by other hon. members that the co-operatives and credit unions should be included. No doubt when we come back at another session that matter will be considered if not at this time,

and I believe it will receive the support of all the members representing fishing ridings.

I can only say in conclusion that I do appreciate what the Minister of Fisheries and the Minister of Finance have accomplished. I wish them well, and I know that fishermen who will benefit by this legislation will have a warm place in their hearts for these gentlemen.

Mr. Dickey: Mr. Chairman, I hesitate to detain the committee at this stage, but I was not able to be in the house earlier this afternoon, and I wish to say a word with respect to this legislation. The proposed bill will undoubtedly be a great improvement in connection with the extension of credit to fishermen. I want to express to the minister the hope that this legislation will go far enough so the position of our fishermen as primary producers will be as closely as possible equal to that of primary producers in the agricultural areas, in connection with securing the credit they need to improve their lot.

Farmers and fishermen require credit to improve and extend their operations, just as business and industry require credit for the same purposes. Undoubtedly the essential consideration in connection with legislation of this kind is to extend credit where required for the actual operations of the individual fisherman.

I think we should keep in mind as well that there are credit facilities available to the agricultural sections of the community for other purposes which are second only in importance to the primary purpose which I have already mentioned. No one denies the importance to rural life of improved living conditions. One can point to the provision of electricity, the labour-saving domestic and other appliances which come in its wake and the provision of running water and modern plumbing, to mention only two things. Life in the fishing towns and villages can be improved in exactly the same way; and it is just as important for the future development of this essential primary industry to see that the people engaged in fishing have the same facilities to secure these improvements for themselves as have the farmers. If this legislation does not in the first instance go far enough to achieve this end completely, I hope the Department of Finance and the Department of Fisheries will give further consideration to the matter and try to work out some method of improving the legislation.

The question of credit unions being regarded as financial institutions for the purpose of this legislation is important, but it is not really connected with the primary purpose and intent of the legislation. However, I think it is correct to point out to the minister that if credit unions are not regarded as financial institutions under this act there is a real possibility that the act will not be as useful and valuable as it otherwise would be. There is no question but that the credit unions in the past—and in the recent past, I may say—have carried the burden so far as extending credit to the fishermen is concerned, apart from the old-fashioned system of co-operation given the fishermen by the merchants who deal in their products.

The credit unions have done, I believe, an outstanding job in this connection, particularly in the maritimes. I think they have to their credit achievements that deserve encouragement rather than what seems to them some sort of discrimination. The credit unions in the maritimes provinces have an excellent record. As was pointed out by my colleague from the Magdalen islands, they provide facilities in many areas which are not served by the banks. The banks simply cannot be expected to keep branches in many of the small fishing villages which are remote and not too easy of access. So far as this legislation is concerned, I am afraid we shall find that its value may be somewhat dissipated by the inability or unwillingness of fishermen who need credit to make the journey that would be required to reach a bank and establish the banking relationships they would need.

Because of the previous representations made in connection with this matter I understand that there are some problems and difficulties in connection with the administrative situation which would result if credit unions were brought under this act. If that is correct, and if those difficulties are substantial and real, I would urge the minister to try to see to it that the problem is approached not from the point of view of putting up those difficulties as such but from the point of view of trying to see if the credit unions cannot be encouraged and given the direction and assistance which will make it possible for them to get their arrangements in such order that they will be brought under this act and will be financial institutions for this purpose.

I submit to the minister that the value of this act will be greatly enhanced, and that it will be made more valuable to the people who really need it, if that sort of approach is taken.

Mr. Kirk (Antigonish-Guysborough): Mr. Chairman, I do not want to delay the committee unduly on this resolution, but I want to associate myself with other hon. members

who have congratulated the government, and particularly the Minister of Fisheries and the Minister of Finance, on introducing this legislation which will undoubtedly be of great benefit to fishermen across Canada.

With a good deal of what has already been said by the hon. members who have preceded me, I am in accord. I am therefore not going to waste time by repeating what they have said. However, I want to stress one point which I think has been mentioned by most of the other members who have spoken, namely the matter of bringing the credit unions into the picture.

It so happens that the head office of the Nova Scotia credit union league is in Antigonish, which is the shire town in my constituency. There are also many branch offices throughout the constituency. When this legislation was mooted it was not long, as you can well imagine, before I had a telegram from Antigonish. I do not think it will do any harm to put it on the record. It reads as follows:

Antigonish, Nova Scotia,
May 31, 1955.

Ralph Kirk, M.P.,
House of Commons,
Ottawa.

Fishermen of Nova Scotia will be sorely disappointed if their credit unions are not included with chartered banks as agencies to provide government guaranteed loans to fishermen for boats and equipment under new legislation being introduced by the Minister of Finance.

It is signed by the Nova Scotia co-operative union. That telegram was closely followed by a letter from the managing director of the Nova Scotia credit union league. I do not think it is worth while to read all the letter because the first part of it has been dealt with by others who have spoken. However, there is one little part that I do not recall having been mentioned by other hon. members, and of which I think it would be worth while for the Minister of Finance and the Minister of Fisheries to take note. That part reads as follows:

Now that legislation is being proposed to assist the fishermen financially, we feel strongly that our credit unions should have the same opportunity of providing credit to fishermen as our chartered banks, especially in view of the fact that our credit unions have been doing this business, and even more so, because of the fact that many of our credit unions are completely fishermen owned and operated.

The paragraph of which I think particular notice should be taken is the one I am now going to read:

There is also the consideration that in most of our credit unions there is a loan protection insurance contract which insures that upon the death or the total and permanent disability of a borrower, the loan is paid off. This would decrease to some extent the risk that the government would be taking in guaranteeing such loans through credit unions, as losses because of death or disability would be made good by the insurance company and not the local organization or the government.

That is one part of the argument of the Nova Scotia credit union league that I want to draw particularly to the attention of the Minister of Finance and the Minister of Fisheries.

As I said when I started, I do not want to delay unduly the passing of this legislation. Enough has already been said—and, in my opinion, well said—by every hon. member who has spoken, regardless of politics. I shall conclude by saying that I sincerely hope the government, and the Minister of Fisheries and the Minister of Finance, will consider seriously the requests that have been made by the credit unions through all the members of the House of Commons who have been addressing themselves tonight to this subject.

Mr. Zaplitny: I shall detain the committee for only a few minutes, but I do want to say a word or two on this matter. The constituency I represent is of course better known as an agricultural area, but it is a fact that we do have considerable fresh water fishing. As a matter of fact the nationally famous lake Winnipeg goldeye comes from some of the lakes in my constituency, which are quite a long way from Winnipeg.

I want to ask the minister a couple of questions, but before I do so may I say that I agree wholeheartedly with the stand taken by the hon. member for Cape Breton South in his very well developed plea for the inclusion of credit unions as lending institutions under the proposed legislation. Like the hon. member I am a strong believer in co-operation as a way of life, and I think it would be most appropriate if credit unions were included in the legislation to be presented.

I should like to ask the minister first of all what is included in the term "primary fishing enterprise". My second question has to do with Indian reserves. It may be that Indian fishermen living on reserves are treated in exactly the same way as anybody else under the legislation. If that is the case, that is fine; but if there is to be any differentiation I should like to hear what it is and what opportunities there will be for Indians living on reserves to participate in the plan. One of the chief difficulties is the fact that most fishermen of that type have very little collateral when it comes to applying for a loan. I hope the effect of the legislation will be such that it will not be too difficult for the individual fisherman with not too much collateral to

obtain a loan, or that some method may be found for several fishermen to pool their resources on a co-operative basis so they can obtain a loan to buy a boat and the necessary equipment.

One of the chief complaints among the Indian population on reserves, and some off reserves, is the fact that they find themselves unable to purchase the equipment they require, and as a result they end up working for a fish company which employs them and pays them wages sufficient to enable them to keep going. It seems impossible for them to scrape together enough to obtain the necessary equipment and become fishermen on their own. I hope there will be something in the legislation to make it a little easier for such persons to participate and eventually own their own equipment and become fishermen in their own right.

The reason I have asked the meaning of the words "primary fishing enterprise" is so that it may be clearly set out what individuals, companies or co-operatives may participate, and just what limitation there may be on that phrase.

(Translation):

Mr. Legare: Mr. Chairman, I take pleasure in congratulating the Minister of Fisheries (Mr. Sinclair) and the Minister of Finance (Mr. Harris) for introducing legislation that will allow fishermen to borrow from the bank for the improvement of their fishing gear and boats. This decision will most certainly be greeted with a great deal of pleasure by all those who earn their living by fishing.

Nevertheless I would like to join the hon. members for Gaspe (Mr. Langlois) and the Magdalen islands (Mr. Cannon) in asking the ministers concerned to include credit unions in this proposed legislation, so that they may be authorized to lend money as well as the banks.

The achievements of credit unions in Quebec cannot be overemphasized. I am convinced those unions would be only too glad to help the fishermen as they have already helped our workers and farmers in other ways.

The Quebec credit unions have already helped thousands of people to build homes and they would only be too happy to help the fishermen.

I hope that the sponsors of this resolution will see their way clear to include the credit unions as approved lending institutions in the proposed legislation.

(Text):

Mr. Sinclair: Mr. Chairman, it is certainly very heartening to have such unanimous endorsement for this legislation by members of all parties from fishing areas in every part of the country. I think most members understand that this legislation is a start in a new field, and because it is a start it cannot be as all-embracing as the Farm Improvement Loans Act now is after some years of experience. This is, after all, the resolution stage, when the general principle of the bill to come is discussed. I have made a note of all the questions asked by hon. members and am quite prepared to answer them in detail, but I think almost all of them, with one or two notable exceptions, will be answered when hon. members get the bill tomorrow morning.

The hon. member for Dauphin asked a key question, as to what is a primary fishing enterprise. Roughly it is the actual act of an individual fisherman catching fish, but not processing it in any way at all. The legislation is limited to loans to individual fishermen, not to partnerships, companies or co-operatives. In that respect it is similar to the Farm Improvement Loans Act. The position of Indians is not covered. Of course Indians on a reserve are very different from Indians off a reserve, who are ordinary citizens. Indians on a reserve cannot be sued if they are in default on a loan. I understand that my colleague, the Minister of Citizenship and Immigration, has a fund in his department for making direct loans to fishermen on reserves for fishing equipment. As far as the fish companies are concerned, I know the fish companies operating on the Skeena river have over $600,000 outstanding at the present time in loans to Indian fishermen.

The other notable thing about this debate has been the very warm and sincere tribute again paid by members of all parties to the tremendous work done by the credit union societies in this country. It may be true that the first credit union was founded in Quebec many years ago, but as far as the fishermen of Canada are concerned the real father of the credit union movement in Canada is that wonderful little university in Antigonish, St. Francis Xavier, which, during the very darkest days of the depression, taught the fishermen how to help themselves by pooling their scanty savings and using that money for their own benefit. The way the credit union movement has grown across the maritimes, in the Gaspe and Saguenay areas of Quebec, in the fishing areas of the inland lakes and out to the west coast, is quite remarkable.

The problem involved here with respect to the inclusion of the credit unions is one which comes very close to people from every

fishing area. Hon. members will recall that during the four years I was assistant to the Minister of Finance I twice piloted the Farm Improvement Loans Act through the house, at which time the same request was made to include the credit unions as lending institutions under the act. My recollection of the answers given then is that first of all there was the difficulty of control. The eleven chartered banks are under direct control by the Department of Finance, under regular inspection by the inspector general of banks, and of course they operate under the Bank Act which is reviewed every ten years by the federal government.

Therefore in guaranteeing loans to the chartered banks we have the knowledge that we have very close control over the uses we are making of the taxpayers' money. On the other hand, there are many hundreds of credit unions across the country which are not under federal control but under varying types of provincial legislation. We have no way, without intruding in the provincial field, of inspecting the facilities and management of these credit unions. I do not think it is reflecting on the credit union movement at all to say that credit unions are not quite as stable as chartered banks. Occasionally credit unions do get into financial trouble.

The second reason I recall was the fact that the type of security which must be taken to protect the taxpayers' money under this kind of legislation is in general a little different from that required by the credit union associations themselves. There is, perhaps, one point which has been missed. When the government encourages the banks to go into what is the riskiest part of fishermen's credit, that is loans based on their fishing gear and their fishing vessels, they are taking the most difficult borrowing and the borrowing on which there is the highest expectancy of loss off the shoulders of the credit unions. This leaves the credit unions free to devote their funds to the other credit needs of the fishermen, the sort of thing mentioned by the two members for Halifax, the improvement of the fisherman's home, the electrification of his home and things like that.

However, the credit union movement is even closer and more important to the fishermen of this country than are the credit unions of the farmers. I say that without any sense of disparagement of the latter. The fishermen of the maritimes especially are genuinely attached to these institutions which did so much for them in the days of the depression.

I had a word with the Prime Minister just now, and he has accepted a suggestion made in the speeches by the hon. member for Cape Breton South, and the hon. member for Inverness-Richmond, and repeated later by the hon. member for Comox-Alberni, that this resolution be regarded, as it really is, as a warning of a bill that is coming.

When the bill is before the house and is given second reading it is to be referred to a committee of the house. As Minister of Fisheries I do not think the committee on marine and fisheries is the proper committee to which to refer it, because this is a financial bill and the difficulties of including credit unions are financial ones. It will be referred to the committee on banking and commerce. The same procedure will be followed as was followed when unemployment insurance for fishermen was discussed before the industrial relations committee. Those members from fishing areas can attend and ask questions.

We will have this meeting some time next week, after due warning so that as well as the members concerned the representatives of these various credit union societies, including the national society to which the hon. member for Cape Breton South referred, can come here and state their case. They can show what guarantees they can give if the taxpayers' money is put forward as a guarantee to them. They can show whether it will be safeguarded in a manner equally satisfactory to the safeguards offered by the chartered banks.

I believe that covers the points.

Resolution reported, read the second time and concurred in.

Mr. Sinclair thereupon moved for leave to introduce Bill No. 452, respecting loans to assist fishermen engaged in a primary fishing enterprise.

Motion agreed to and bill read the first time.

PRISONS AND REFORMATORIES ACT

AMENDMENTS RESPECTING BOYS' INDUSTRIAL HOME, NEW BRUNSWICK CENTRAL REFORMATORY

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 381, to amend the Prisons and Reformatories Act.

Mr. Bell: Is the minister going to give an explanation?

Mr. Garson: Mr. Speaker, this bill is concerned with the care of prisoners in the provincial jails of New Brunswick, and is before the house at the present time because the government of New Brunswick has asked that it be passed. This bill is an example

of the type and degree of legislative co-operation that must take place between the federal parliament and government on the one hand, and provincial legislatures and governments on the other in order that provision may be made for the care of prisoners who are convicted under the Criminal Code and sentenced to periods of less than two years in provincial institutions. I think, perhaps, for the benefit at least of the newer members of the house I should give the references to the relevant articles of our constitution in order to make clear why what would appear to be a provincial matter is being taken care of in the parliament of Canada.

Under head 14 of section 92 of the British North America Act, provincial legislatures may exclusively make laws in relation to the administration of justice in the province, including the constitution, maintenance and organization of provincial courts, both of civil and of criminal jurisdiction and including procedure in civil matters in those courts. But so far as the procedure in criminal matters is concerned, under head 27 of section 91 of the British North America Act, the parliament of Canada has exclusive authority in respect of the criminal law, except the constitution of courts of criminal jurisdiction, but including the procedure in criminal matters.

Then, head 28 of section 91 aforesaid gives parliament exclusive legislative jurisdiction in relation to the establishment, management and maintenance of penitentiaries. Authority over provincial jails on the other hand rests with the provincial legislatures, under head 6 of section 92.

Now, parliament has provided in section 634 of the Criminal Code that a person who is sentenced under an act of the parliament of Canada, which, of course, would include the Criminal Code, to imprisonment for life or for a term of two years or more shall be sentenced to the penitentiary designated for the province in which he was convicted. A person who is sentenced under such an act to imprisonment for a term of less than two years is required to be sentenced to imprisonment in a place other than a penitentiary, which is one way of saying in a provincial institution.

But it is not enough, and this is really the point of the necessity for this present legislation, for the Criminal Code or any other act of the parliament of Canada to provide that a person who is convicted of an offence and sentenced to imprisonment for less than two years will go to a place of confinement other than a penitentiary. It is necessary for us in this parliament to make provision for the courts to commit such persons to provincial institutions and to authorize the keeper of such institutions to detain them in lawful custody therein. Then, of course, we must make provision in this legislation for such things as the transfer of prisoners, the release of prisoners and so on, in the same manner as is done under the penitentiaries act in relation to federal institutions. All these matters relating to provincial institutions are contained in a federal act called the Prisons and Reformatories Act which it is the purpose of the present bill to amend.

This Prisons and Reformatories Act sets forth procedures which shall be adopted in relation to prisoners who have been sentenced for a period of less than two years to provincial institutions including special reform schools, reformatories, industrial farms or industrial schools and the like. If hon. members examine this Prisons and Reformatories Act they will see that, first of all, there is a general part dealing with matters of general application in all the provinces. Then, in relation to each of the provinces there is a separate part of the act dealing with institutions in that particular province. The part we are concerned with in the present case is part V, dealing with the province of New Brunswick.

As I have said we were asked by the attorney general of New Brunswick, Hon. Mr. West, to bring in this legislation. Permit me, sir, to quote from Hon. Mr. West's letter in this connection, as follows:

> This province is in the course of modernizing its penal system. We plan on erecting a central penal institution to be known as the New Brunswick central reformatory and it is hoped that the institution will be ready for partial occupancy, at least, during the latter part of this year.
>
> The province is also assuming regulation of the county gaols, and in some cases, is closing existing county gaols which are insecure or which, for other reasons such as health and safety, it is considered undesirable to keep open.
>
> In order to carry out these plans it will be necessary to have authority to transfer prisoners sentenced to gaol from a county gaol to the central reformatory and in some cases from one county gaol to another. This, of course, cannot be done in cases of prisoners sentenced under the Criminal Code or other federal statutes without legislative authority.
>
> I am attaching hereto a draft of a proposed amendment to the Prisons and Reformatories Act. This draft is patterned on similar provisions now contained in the Prisons and Reformatories Act with respect to the provinces of Ontario and Alberta. For your convenience, I have noted at the end of each section of the draft the comparable provision or provisions now contained in the Prisons and Reformatories Act.
>
> Our plans cannot, of course, be put into operation with respect to prisoners confined under federal statutes without some legislation of this nature. A large majority of prisoners in our gaols are sentenced under a federal statute. It will be

greatly appreciated if legislation along the lines of attached draft is passed at the current session of parliament.

Upon receipt of this letter a bill in the terms hon. members now see before them was drawn up by parliamentary counsel and resubmitted to the attorney general of New Brunswick. He approved of it. It is now before hon. members for consideration.

This bill first deals with this New Brunswick central reformatory, which we understand will be a modern type of institution where up to date principles of penology are applied with a view to effecting the rehabilitation and reform of inmates.

The second main purpose of the bill is to vest authority in a parole board, provincially appointed, to release inmates of the boys' industrial home upon parole at any time during their confinement, under conditions approved by the federal Minister of Justice. This boys' industrial home is an institution specially designed in the province of New Brunswick for the custody, care and treatment of juveniles—that is, boys under the age of 16 years—who are convicted of offences under the criminal law. It is located at Bayside drive in Saint John, New Brunswick. It was first opened in 1893 and has a normal capacity of 60.

The purpose of the present amendment is to provide that where the inmates of this reform school for boys are now released under ticket of leave by the remissions branch of the Department of Justice they will, in future, be released by a provincial parole board in the same manner as they are now being released from similar institutions in the provinces of Ontario and British Columbia by similar provincial parole boards.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, as has been comprehensively stated by the minister, this legislation comes from the Senate and is being presented at the request of the attorney general of New Brunswick. The minister mentioned briefly this year, and also last year, that it has been his pleasure to have considerable co-operation among the attorneys general of the various provinces and his own department with respect to legislation of this kind.

We in New Brunswick are in the process of modernizing our penal institutions. I suppose one might say that we are reforming our reformatories. The situation which obtained a few years ago was most serious, and we thought it necessary to appoint a commission to look into the situation surrounding our jails and penal institutions in the province. For this purpose we selected Judge J. Bacon Dickson of Fredericton, a very competent jurist. Various other prominent and interested citizens served on the commission. They made a complete survey and study of the situation in the province and, after some time, brought out what is commonly known down our way as the Dickson report.

Among other things this report outlines the need for inspectors in our jails, and the suggestion was made that we take over the old jails. They went further and suggested an amalgamation of some of the county jails, and a general comprehensive survey was made with respect to the classification and segregation of criminals.

As I have said, this legislation is the result of our plans to gradually implement the Dickson report. The minister has outlined very carefully why legislation of this kind must come through the federal parliament. It is well known that section 91 of the British North America Act gives the federal authority the right to legislate in the matter of criminal law. Our criminal courts are excepted in that general classification. Further, for various reasons it has been necessary to have other institutions in our provinces under the control of the provinces, with the exception of federal penitentiaries. I understand that is why it is necessary, in view of the fact that the Criminal Code and some other criminal legislation is under federal jurisdiction, to have authority from the federal parliament to deal with various smaller phases of activity distinguished from the federal penitentiaries.

This bill, from the other place, has two main themes. First of all it purports to give some sort of authority to a New Brunswick central reformatory. This is in line with the Dickson report which, as I said, we are trying to implement. Further suggestions with respect to our county jails are also met to some extent under this legislation.

The second proposal in the bill concerns the boys' industrial home. A change has been made in the name of this home. Whereas it was known formerly as the industrial home for boys, it is now known as the boys' industrial home. Certain parole rights are given to the parole officers in connection with this institution, and there are some other minor changes in connection with the management of the home.

My understanding of this legislation is that no remission privileges are given to the provincial institutions except the remission powers that may be in the hands of the parole officers when they are dealing with matters affecting only their own institutions. In other words, remission rights are still in the hands of the federal government with respect to those who are sentenced to federal penitentiaries.

The minister has made careful reference to the boys' industrial home, which is in East Saint John, in my constituency. Let me say that this institution has been increasing in its importance. We are proud of the fact that we have modernized our staff and our procedure in keeping up with the requirements of corrective reform measures in our institutions.

This home, which contains the lesser criminals under 16 years of age, who are there for various corrective measures—and they number about 50 or 60—has a very fine reputation in our community for the interest shown both in agriculture and in athletics. They have built up quite a farm. They have not only a cattle farm but mixed farming as well, and they have been able to supplement to some extent the revenue of the home and also give the boys a very interesting occupation and help them with their plans when they are released. They have taken a very commendable and worth-while part in athletics along with boys of their own age in the community. When I was younger, going to school and playing hockey, the team we could never seem to beat was composed of the boys from the industrial home in East Saint John. On a later occasion I had a great deal of pleasure in getting acquainted with those boys and talking about those hockey games, which were conducted on a highly competitive basis. Of course no consideration was given to the fact that these boys came from the home. Their sportsmanship was highly appreciated in every way.

We have made quite an effort recently to interest various local retired sportsmen, who were connected with baseball and hockey, in taking part in sports at the school. Just the other day when I was home I was speaking to Gordon Drillon, who used to play hockey for Toronto Maple Leafs. He is employed at the home and is tremendously popular with the boys. He is, of course, a sort of local hero. He is teaching them athletics and is very well liked. This will give you some idea, Mr. Speaker, of the interest and effort we are taking in the boys at the school.

As has been stated by the minister, this legislation does grant certain powers. It enables us to correct our field institution along lines which I understand have been completely implemented in Ontario. Alberta and British Columbia have also started in this direction. The legislation that is up for second reading tonight is in line, if not on all fours, with sections of the Prisons and Reformatories Act which is now in force, various parts of which apply to the provinces.

In closing I should like to say we are hopeful that we shall be able to completely implement the Dickson report, which purports to correct our penal and reform institutions in the province. We are pleased to get the co-operation that has been given by the Department of Justice and the minister in meeting our demands in this respect.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, it is apparent that within the past few years there has been a growing interest in all the provinces of Canada and in the federal government in the question of criminality, its cause and its cure. There has been a growing interest shown by governments not only in the cause of criminality but in the methods used in our penal institutions, and most certainly it is all very much to the good. It has been evidenced in particular in the past two or three years by the federal government in the various commissions they have established to look into the matters of capital and corporal punishment, the use of the lash and the paddle, the question of parole and of the rights of prisoners in the penal institutions. As I say, that is all to the good.

This evening we have before us legislation at the request of the province of New Brunswick. The attorney general stated in the letter which has just been quoted that they are in the process of modernizing the penal system in that province. It is to be hoped, Mr. Speaker, that this interest in modern penology will extend to the treatment, the education and the rehabilitation processes that are used in our penal institutions, and that the interest will continue, with even a greater study of the causes of crime, especially amongst youthful offenders.

As hon. members know, it has been my privilege for some 18 months now to be a member of the special joint committee of the House of Commons and the Senate which is investigating the questions of capital and corporal punishment and lotteries. Unfortunately our report is not yet in, but all the evidence has been published. There has been some evidence dealing with the start of criminality. The evidence has shown that very often it starts in youth.

Mr. Speaker: Order. May I interrupt the hon. member just to ask him not to refer to that evidence because, even if it has been printed and distributed, as far as this house is concerned we do not know about it since it has not yet been reported.

Mr. Winch: I was not going to discuss the proceedings of the committee at all but just the matter of youthful criminality, which I felt was absolutely in order. This legislation deals with the establishment, the operation and the regulation of a boys' industrial

school, and a boys' industrial school, naturally, contains boys who have broken the law.

I was merely commenting, Mr. Speaker, that we now have, in the words of the attorney general of New Brunswick, a recommendation to the Minister of Justice and from the Minister of Justice to this house, to modernize the methods of handling those boys who have broken the law. I was hoping that this approach would be carried on to include the causation that made these boys break the law. I was pointing out that there is evidence—may I put it that way—that they start young and the cause is environment. However, I am not going into that in detail. It was just an impression I wanted to give, and I am certain the Minister of Justice agrees with me. I am sure he hopes that all the provinces and his own department will carry on a modern study of the causes of criminality.

However, Mr. Speaker, there is a principle in this bill which I will not say intrigues me, but which I find disturbing. I know it is in effect in one or two other provinces. When this bill gets into committee of the whole I hope the Minister of Justice will go into some detail and explain the principle. The principle in the bill is that a youth under the age of 16 can be imprisoned on a charge in accordance with the laws of the province and of the dominion.

In addition he may have a second sentence imposed upon him on completion of the sentence under which he has been charged. In other words there is the principle in the act, as far as boys under 16 are concerned, that there are two sentences for one offence. The entire principle is contained in more than one clause but it is evident, because the powers are asked, that if a youth is charged with an offence under the Criminal Code he can be sentenced in the same way as an adult who has committed that offence, and he can get a sentence the same as that which would be given to an adult.

Under this act, if he was under the age of 16 I take it that he would be committed to the boys' industrial home, but the principle is also stated here that, in the discretion of a supreme court or county court judge, following the completion of his sentence he can then, on account of the offence for which he was found guilty, be given a further indeterminate sentence and retained in the institution for a period not to exceed a total of five years.

This applies not only to an offence under the Criminal Code but also to an offence for which the youth is found guilty on a summary conviction. If he is found guilty under summary conviction, as long as his sentence is not less than 14 days, then a judge of the supreme court or county court has the power to impose a new sentence after he has completed the sentence for the offence for which he was found guilty, and keep him in the institution for an indeterminate length of time not to exceed the sum total of five years. There must be a good reason for that principle, but I admit that I have been for some time, and am now, a little disturbed as to the justice of it.

Mr. Garson: Might I suggest to my hon. friend that if he were to read the section aloud and slowly the reason for the incarceration for the indefinite period would emerge.

Mr. Winch: Yes, Mr. Speaker, I have read it aloud and slowly, I have read it to myself slowly and often, and I know what my hon. friend the Minister of Justice says is correct. The reasons they can do it are mentioned there. I am speaking about the fact that they can do it on one charge. After the youth has completed the sentence for the offence, then the judge has the power to keep him in the institution perhaps for another four or four and a half years. I am asking about the justice of doing that without two separate charges. If a youth under 16 has committed an offence, and has served his time, he should be released. But if he is still a bad boy, then perhaps the youth should be charged as as incorrigible by his parents or a welfare agency, or children's aid or some agency of government. I am just asking about the justice of this dual sentence. I must admit I find it a little disturbing from that point of view, even though I know the reasons for it. I sincerely hope we can have some detailed explanation from the Minister of Justice on that aspect of the principle of this bill when the house is in committee of the whole.

That is all I wish to say at this stage, Mr. Speaker. I am certain that I would join with others in saying that we welcome this as an advance in the system of penology in the province of New Brunswick.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, I should like to put myself on record as being in favour of this legislation. The ground has been fairly well covered. Since New Brunswick is endeavouring to do what it hopes will be a good job, I do not think we need fear too much the clause in the act about the additional imprisonment. Anyone who has had much experience with boys knows there are times when it is necessary to give the judge or magistrate this power. It is something which I believe is

desirable, especially in view of the fact that our courts are well looked after. Our judges are men of experience and we feel safe in their hands; and the system of appointing magistrates has been to confine the appointments to lawyers with considerable experience.

Therefore I just want to add that this bill gives our province an opportunity to bring in a reform which has been much needed for some time, especially with regard to jails. As recommended by Judge Dickson, since our jails in New Brunswick have become quite dilapidated and conditions have been quite bad, it was very important that something be done. In view of that fact I am very glad to see this bill before the house. I hope it will receive the sympathetic consideration of all hon. members.

As far as the principle in the act is concerned, I do not believe it is one which need give any cause for worry. I recently had the opportunity of meeting the new superintendent who will be in charge of this reform institution. He is a man whose name, by the way, came before the committee which my hon. friend who was speaking a few moments ago mentioned, and he is very highly recommended. We look forward to a real improvement in our province.

I might say to my hon. friend that there are some small towns there which have no juvenile courts, no social workers or welfare clubs, and no one to look after these youths. It is much better to have a provision in case the judge feels that a short sentence followed by an indeterminate sentence may meet the situation, so the offender will be left in the hands of youth officials who will let him out of control at the earliest possible moment and keep an eye on him, if they feel he is not likely to become a menace to the community. I believe the principle is not a vicious one; I feel it is a good one.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Sinclair: Mr. Speaker, tomorrow we shall continue with the order of business given on Friday night. If we complete that business we shall then take second reading of Bill No. 415, to amend the Canada Elections Act. If we finish that, we shall then take any other bills that are on the order paper.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, June 7, 1955

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

RAILWAYS, CANALS AND TELEGRAPH LINES—CONCURRENCE IN FIFTEENTH REPORT

Mr. H. B. McCulloch (Pictou) presented the fourteenth and fifteenth reports of the standing committee on railways, canals and telegraph lines, and moved that the fifteenth report be concurred in.

Motion agreed to.

Sixth report of the standing committee on banking and commerce.—Mr. Croll.

HOUSE OF COMMONS

MR. SINCLAIR—REFERENCE TO REMARKS IN DEBATE ON JUNE 6

Hon. James Sinclair (Minister of Fisheries): Mr. Speaker, I should like to make a correction not so much of *Hansard* but of a misunderstanding between the hon. member for Cape Breton South (Mr. Gillis) and myself last night arising from our rather casual use of words. As reported at page 4467 of *Hansard* the hon. member for Cape Breton South said the national credit societies act was a government measure passed by this parliament. I asserted that was not so, that it was the bill of a private member to incorporate a credit union society under a federal charter. However, I was wrong. The bill I had in mind was not the national credit societies act but the Canadian Co-operative Credit Society Limited Act, a private bill passed in 1953 and sponsored by a private member, Mr. Bater. However, the hon. member for Cape Breton South was also wrong, for there is no such act as the national credit societies act. The act he probably had in mind is the Co-operative Credit Associations Act, a government-sponsored measure to control interprovincial activities of credit unions, passed earlier in 1953. Otherwise we were both right in that both these acts are important in the discussion which took place on the role that credit unions should take in the new fisheries improvement loans bill.

If I may add one final word, a couple of miners such as the hon. member for Cape Breton South and myself have at times been exasperated by the way lawyer members of parliament quibble over words. This incident shows us the importance of exact legal terminology.

Mr. Gillis: Mr. Speaker, now that the minister has brought himself and myself up to date, I bow to the superiority of his research department.

PRISONS AND REFORMATORIES ACT

AMENDMENTS RESPECTING BOYS' INDUSTRIAL HOME, NEW BRUNSWICK CENTRAL REFORMATORY

The house resumed, from Monday, June 6, consideration in committee of Bill No. 381, to amend the Prisons and Reformatories Act—Mr. Garson—Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Boys under 16 years.*

Mr. Winch: Mr. Chairman, may I ask your advice with respect to procedure on clause 1? In that clause it is set out that sections 110 to 120 of the Prisons and Reformatories Act, chapter 217 of the Revised Statutes of Canada, 1952, are repealed and other sections are substituted therefor. That is the only actual governing clause. Under that clause do we discuss all the amending clauses? Is that correct, Mr. Chairman?

The Chairman: Order. I have called clause 1, and it is of course in order to discuss any matter coming under clause 1 which apparently deals with a number of sections in the original enactment.

Mr. Winch: That being the case, I should like to speak on clause 1 with particular reference to what will now be known as sections 110 and 111.

On the second reading last night I asked a number of brief questions relative to a principle in the bill and asked the Minister of Justice if he would give a detailed explanation of that principle in the committee of the whole. After reading what I said in *Hansard* this morning, I realize I spoke far too briefly. Perhaps if I were to make my own position clear on this matter and state the reasons why I requested the minister to give us an exposition of that principle, my purpose would be served.

It has been my privilege, Mr. Chairman, in the past 22 years to have had some connection with boys' industrial schools, and in that

period of time not only to have interested myself in the cases of boys under the age of 16 who have been bad boys, but also upon occasion to have been called upon by judges in charge of juvenile courts and welfare courts in cases of boys who were incorrigible. As a result of that 22 years' experience and knowledge, as I said last night, I am a little bit disturbed by the principle which is outlined in clause 1 concerning what will be sections 110 and 111.

A youth under the age of 16 is without doubt at a very impressionable age. He makes a serious mistake and comes into conflict with the law. He appears in court. Now, once in a while you meet, and I have met, youths under the age of 16 with whom there is not a thing you can do. In the majority of cases, however, so far as my experience goes, when you have a boy of the age of 16 who has been arrested and brought into court, he is a very frightened boy. Under the terms of this bill and the two sections I have mentioned that youth, because he has broken the law and been arrested, can be charged with a crime as though he were an adult. I do not think there is any way we can get around that. But, Mr. Chairman, he can also be sentenced as though he were an adult. I do not think there is any way to get around that, at the moment at any rate.

But having been found guilty and sentenced, under the principle which I am now discussing, he can then be sent to a boys' industrial home. I feel, sir, that is as it should be because it would be a terrible thing if a boy under 16 were sent to a provincial jail or a penitentiary. I am in complete agreement with the attorney general of New Brunswick and the Minister of Justice on that. Once he has been found guilty and sentenced on a definite charge, we now find under the principle in this bill, it is possible that, having served his sentence and having paid his debt to society for the crime which he committed, he can then be sentenced by a judge to an indeterminate time in the boys' industrial school so long as the total sentence does not exceed five years.

Mr. Chairman, I want to make my position clear, and that is why I am on my feet again this afternoon in committee of the whole. I believe that, as applied to youthful offenders, the indeterminate sentence is best. That is my belief—although I realize there are arguments against it. The chief argument—there is really only one—against the indeterminate sentence, one which I have learned from conversations with boys in the industrial homes and with adult criminals in penitentiaries who are serving indeterminate sentences on charges of being habitual criminals, is that they harbour a feeling of hatred against society and against the courts, a feeling of hatred against everybody, because they do not know when they can get out. I have yet to speak to one boy in a reformatory or one prisoner in a penitentiary, serving a sentence as a habitual criminal, who has not developed an aggressive hatred against society in general. They feel that they may be imprisoned for a month, or for life—they do not know which. Believing as we do in rehabilitation, in my opinion we make a mistake when we deny the many hope by withholding from them knowledge as to when they will again be free.

Referring more particularly to boys in reformatories, I said a few moments ago to the Minister of Justice, through you, Mr. Chairman, that it is my belief that, although these boys may not know whether they are going to be in the reformatories for a month or for five years, the indeterminate sentence is best for those under 16 years. However, I do not approve of the way it is being carried out in one or two of the provinces, and as recommended in the act. Under clause 110 and clause 111 they are charged with a definite offence and given a definite sentence. Take a boy under 16 years of age. He is impressionable. At that time you can work with him, or you can with the great majority of boys. After they have been charged and sentenced, and have paid their debt to society, it is possible under this legislation to keep these boys in an institution for a period that shall not exceed five years. Ask any psychologist or any psychiatrist what he thinks will be the reaction of the majority of boys who have committed a crime and served their sentence and still cannot be released but may be held in the discretion of the judge or the parole board up to a period of five years.

I say, sir, most sincerely from my knowledge of working with boys in an industrial school for 22 years that that is not going to rehabilitate them; that is not going to make them socially conscious; that is not going to give them a feeling of friendship. I am sure it will build up aggressiveness and a hatred that can lead them down the road to further criminality. I completely realize what the minister and attorney general of New Brunswick have in mind. We must have a provision so that boys who are incorrigible or anti-social can be handled, disciplined and trained in an institution in the hope of making them good members of society. I agree with that; but, sir, I disagree with a provision under which a boy who is charged, found guilty and sentenced, and has served his term, can be kept in an institution. From the psychological point of view it will be far better

—and I commend this thought to the Minister of Justice—to have a different procedure with respect to boys under the age of 16. It should be one of two things. As I said last night on second reading of this bill, when a boy has served his sentence for the crime of which he has been found guilty he should then be released. If he is incorrigible, and if it is in the interests of the boy himself and society, he should remain in an institution. Then either his parents, the children's aid society, the welfare society or any government agency interested in the development of children could then bring him before the court as an incorrigible and give him an indeterminate sentence in the hope that a useful citizen can be made out of him. The boy would at least know that he had served his sentence and was being released.

There is one other approach which I favour even more than the one I have just mentioned. If a youth under 16 years of age breaks the law and is brought to court I suggest that a study be made of his background, his emotions and his outlook. If the boy is found guilty, instead of sentencing him to a period in an institution and then perhaps keeping him there after he has served his sentence, I suggest that he should be given an indeterminate sentence at the beginning. He would then know that his length of stay in the institution would depend upon his good behaviour and his adjustment.

Personally I believe that such a boy would feel better if he knew at the beginning that he was being given an indeterminate sentence and his length of stay would depend upon his attitude, his behaviour and his adjustment rather than to be given a definite sentence and then after having served it be told that he would be kept on for a further period after he had expiated his offence against society.

I must conclude, otherwise I shall be repeating myself. I feel deeply about this matter from the point of view of the psychological effect upon a youthful offender. I submit that the imposition of two sentences will not help to rehabilitate a boy under 16 years of age who has come into conflict with the law.

Secondly, I think it is a wrong concept of Canadian justice that when a boy is found guilty of a crime and sentenced he can still be retained in an institution up to a period of five years after he has expiated his crime. That is not my concept of Canadian justice.

I realize the motives of the Minister of Justice and the attorney general of New Brunswick, but I would ask the Minister of Justice if perhaps we are not making a mistake in an approach of this kind. I want the minister to understand that I believe sincerely in the indeterminate sentence; I think it is the best thing in the world. But let us have it as a first charge and not as a second one. Let us remember the psychological effect on a youth under 16 years of age when, having served his sentence, he cannot get out. I ask the minister if he will please give this approach some thought and if he will explain the reasons why, in his judgment and in the judgment of others, they bring in this kind of a recommendation.

Mr. McIvor: Mr. Chairman, I too have some knowledge of boys. I have often been convinced that there is no bad boy. I have sat in juvenile court and in police stations and I have been convinced that the individual who should have been sent to court was not the boy but the father or the mother. Where a boy has a father and mother who spend a good deal of time in the beer parlour and let him go where he likes, who is guilty? I was well pleased when the Prime Minister, when he was minister of justice, said it is far better to give the prisoner—whether he is a boy or a grown-up—the benefit of the doubt and not ask him to serve his complete sentence.

I should not say it but I have had 183 boys and adults out on permit or parole and only 3 have partially failed. I have never had a boy placed under our supervision who failed. I agree with the hon. member who has said that it would be far better to let the boy know when he goes in that a good deal depends on his conduct. That is one side of it. But the other side of it is that the folks at home that know him, outside of the family, should keep an eye on him, write him his weekly letter and tell him that there is hope for him and that he should make good.

I am sure that the Minister of Justice will be just as lenient as was the former minister of justice in giving the boy the benefit of the doubt and in letting him come out under the supervision of somebody whose Christian character is known to be practical and who is not afraid to spend a little bit in his behalf.

Mr. Diefenbaker: Mr. Chairman, I listened with a great deal of interest to the hon. member for Vancouver East in the exposition he has just made on juvenile criminality. Certainly the arguments that he has advanced are cogent even though they are emotional as well. On the face of it, it seems that legislation such as this is more or less in keeping with the ideas of criminologists of 25, 30 or 40 years ago rather than of today.

As I listened to the arguments he advanced I tried to place myself for a moment, as one must, in the position of a juvenile offender who has been punished by the court for the

wrong that he has committed. The initial punishment he receives is in keeping with the enormity of the crime he has committed. That punishment would be the punishment that would be administered to one of mature years. He starts off with that punishment.

Because of the fact that an indeterminate sentence commences after the termination of the fixed sentence, if I understand the authorities correctly, there can be no remission of part of the fixed sentence when it is to be followed by one that is indeterminate. The only reduction that can be made will be the reduction by the parole board of the sentence subsequently imposed and commencing at the termination of the original sentence. He is then in this position. He has paid his penalty to society in respect of the first sentence he has received. Then he starts all over again with a sentence that, as far as he is concerned, may be up to five years or may be shorter. That, of course, is something he does not know. In other words, there is no reward for virtue under this type of legislation.

If the juvenile has received a sentence of two years, under normal circumstances he should expect to be released at the end of a year and three or four months, with the balance of his sentence served outside the jail or penal institution and under parole. But the juvenile offender is not put in that position and is not today, in two jurisdictions, in that position. He must serve his two years. Then he starts all over again. To me that is a dangerous reincorporation in our law of a principle that is not in keeping with the advances that have been made in criminology in the last 25 years.

My friend the hon. member for Vancouver East has an experience that deserves the respect of parliament, in view of the degree to which he over the years has interested himself on behalf of those who are unfortunately in the penal institutions of this country. He points out that if the situation were reversed and if the first sentence were indeterminate, there would be a reward for reform. As the situation is now, the wrongdoer serves the sentence that any older person would serve; then having done that and having been denied the parole to which an older person would be entitled, he commences another sentence.

I feel that the minister should be able to place before the house and the committee suggestions arising out of the experience in the two jurisdictions that already have in effect similar legislation. I understand that Ontario is one of the provinces, and that there is another province with similar legislation in effect, namely British Columbia. Will the minister place before the committee the following statistics? How many juveniles under this legislation have, in each of those provinces, received first a set sentence and thereafter an indeterminate sentence? Of those so sentenced, how many became recidivists or repeaters?

After all, the aim of the criminal law today is to punish but at the same time to reform; that is, the aim is to give to those who have made a wrong step an opportunity for rehabilitation, an opportunity to go forward in the world, raising their heads once more because, while they have made one wrong step, society is not going to condemn them indefinitely into the future. As a matter of fact, today one of the major reasons for recidivism, as I see it, is the fact that when a man serves a term in a penitentiary or a jail and then comes out, particularly in times when jobs are not available, the situation becomes impossible for him, there being not available to him any unemployment insurance for the time during which he was actually in employment before he committed his offence. He goes forth into the world unable to find a job and hanging over him there is the stigma of recent conviction. Instead of encouragement to resist temptation that becomes stronger because of his previous conviction, he finds once more that he is forced into the position of having again to commit crime. I have had some experience with those who have committed crime. I have appeared for the defence in several hundreds of cases. I have never had a client who repeated, but in every case where I have acted and the person has been convicted I have taken a personal interest in him when he has come out of jail. I did not mean to speak about that, Mr. Chairman. I do not want to deal with personal matters. But I do know I am proud of the fact that I have never had a repeater.

This comes about through the simple act of trying to give assistance, not monetary assistance but encouragement. It is no encouragement to an offender, whether young or old, to know that at the expiry of his sentence, when he has satisfied his debt to society, society may say: Well now, for an indefinite period of the next two or three years you are still going to be kept in custody until such time as you prove you have shown a tendency to reform. First you blot out any hope of reform from the fact that the person has served a two year sentence. Then, having blotted it out, you want to resurrect that hope and have him come forth a good citizen.

I ask the minister to give the statistics. They are available and will tell the story

whether or not this system has been successful in the jurisdictions where it has been tried. If it has, idealistic arguments have little place. If it has not, the hon. member for Vancouver East has graphically and powerfully placed before the house considerations that deserve the thoughtful respect of each and every one of us.

Mr. Knight: I should like to say a word or two on the bill, although not from the point of view that the hon. members for Prince Albert and Vancouver East have discussed it because I am not competent to do that. But I do want to say a word or two generally because I am interested in these industrial homes and in what they can and should be. I am principally interested in two phases more than any others. One concerns the educational facilities which are or are not and, if not, should be supplied. Another has to do with whether or not these places have the advantages of having trained psychologists attached to their staffs.

May I say here that when I questioned the previous minister of justice on the matter of trained psychologists in connection with our prisons and penitentiaries a number of years ago, I was surprised to learn that there was only one at that time and he was attached to Kingston penitentiary. Surely if it is necessary to have psychologists on the staffs of our high schools which are teaching boys and girls who are normal at least to the extent of not having committed any crime, there is an even greater need for the guidance of trained psychologists in industrial schools.

I am glad the bill has been introduced because its purpose ostensibly and actually is to advance the cause of penal reform in New Brunswick. A boy who might otherwise be given a sentence of three months or more in a penitentiary or common jail can now be sent to the boys' industrial home. If sent to the penitentiary he would have to mix with hardened criminals and sending him there would, in my opinion, simply defeat the purpose of the punishment. But an industrial home can be, and I emphasize "can", a source of individual rehabilitation and social redemption as far as the boy is concerned. Again, if a boy is sentenced for 14 days or more he can, by the decision of the judge, also be sentenced—

Mr. Winch: To five years.

Mr. Knight: —forthwith or at the expiration of the two weeks sentence, to a period in the industrial home. When I first read the bill I thought the boy had to serve the two weeks sentence first and would then be further sentenced, but I see he may be sentenced forthwith or at the end of his imprisonment. Why that provision, "or at the expiration of his imprisonment", is in the bill I do not know. Perhaps the minister will be able to explain that to us. He may be sentenced forthwith or after the expiry of the short sentence to a period not exceeding five years in an industrial home. I do not want to trespass on the ground already covered by the hon. member for Vancouver East, but I suggest that pretty wide powers are given there involving great responsibility over the life of a boy up to a period of five years. I take it, of course, that the people under whose authority this is done are responsible people. I believe they are judges under the terms of the act.

Then there is to be a parole committee which will have the power to discharge a boy or to discharge him in the custody of someone who can give him employment. The latter can only be done with the consent of the parent or guardian of the boy. There is of course a danger there as to the type of employer. We have heard of a number of unfortunate cases. I do not need to go back into the classics to find an example. We find them every day in our newspapers. I warn the minister that there are still Simon Legrees about.

The hon. member for Vancouver East has emphasized the matter of environment and what it does to people. The hon. member for Fort William meant exactly the same thing when he said there are no bad boys, there are only bad parents. That is simply another way of saying that it is the environment surrounding the boy which is usually—I do not say always—to blame for the condition that has arisen. If environment has been the cause, then I suggest that environment must be the cure. That brings me back to my first words. For the benefit of my hon. friend, may I say I am not arguing for a moment that we should commit these boys for five years, but if we are going to do so we want to know the sort of place to which they are going to be committed. If environment is to be the cure then the home, wherever it is, must be a place of joy—yes, I say "joy"—and reformation and not a place where they will suffer further degradation, as has happened in the past.

There must also be educational facilities of such a type that when the boy leaves the industrial home he will not be at a disadvantage compared with those who have attended our ordinary schools. I say again that while the boy is there he should be in the care of those who can exercise guidance—I think that is the word they are using now—in the

same way as in our ordinary high schools and universities. There should be guidance instructors or guidance teachers. While the boy is there he must have the benefit of guidance and training by men qualified in that particular profession.

I want to mention one more thing and that is the stigma of a jail sentence. I suppose it is rather difficult to get away from that. But I do suggest that if we are to do away with the stigma of a jail sentence or of any sentence, we must send these juvenile delinquents, as I say, to a place where there is actual happiness and to which there shall be no stigma attached in their own minds upon discharge.

Mr. Dinsdale: I rise to speak briefly on this matter, Mr. Chairman, because as I listened to the discussion last evening it seemed to me that the interpretation then was somewhat different from the interpretation being placed on the bill this afternoon. Both the hon. member for Saint John and the hon. member for Victoria-Carleton representing the province of New Brunswick spoke on this bill at the second reading stage. It was my understanding from their remarks that this legislation was coming before the house on the basis of a recommendation from New Brunswick, and the suggestion was to bring the legislation in line with a program of modernizing the New Brunswick penal system. On the other hand, this afternoon there seems to be a feeling that this legislation is a retrograde step in the handling of juvenile delinquents in New Brunswick.

Now, as I have attempted to read the bill and follow the discussion, I was rather inclined to the viewpoint that this legislation was more in sympathy with the modern emphasis in criminology, that we should think in terms of reformative measures rather than punitive measures. The essential purpose of the bill seems to be to provide for the establishment of a central reformatory, a modern type of institution. I think that is a good step because one of the weak links in the chain of our penal institutions is the inadequately staffed and inadequately programmed local jails and, in many cases, provincial institutions.

I know that in my own province of Manitoba there has been considerable discussion on the problem created in our provincial institutions as a result of the lack of adequate facilities to carry out a modern program of penology. As I understand, the purpose of this bill is to provide for a modern type of institution that will make possible the more comprehensive approach to the problem of treating juvenile delinquents. I raise that point because I should like to have a clarification from the Minister of Justice when he replies to the various points that have been raised in the discussion this afternoon. Either the bill is going to carry out the wishes of the government of New Brunswick or it is a retrograde step, as has been indicated in some of the remarks here this afternoon.

The second main purpose is to provide for a parole board. That is contained in what will be section 112 of the act. This section reads as follows:

> The lieutenant-governor in council may appoint a parole committee whose duty it shall be to inquire from time to time into the cases of prisoners sentenced to the boys' industrial home, and where as a result of such inquiry the parole committee thinks proper, it may permit prisoners serving sentences in the boys' industrial home to be discharged on parole under conditions approved of by the Minister of Justice.

I am in favour of extending the system of granting paroles because I believe it is a much healthier approach to the problem. Particularly in the case of juvenile delinquents, we should be trying to reform them within society rather than trying to provide an artificial environment in a penal institution. Again it is my impression from the remarks of the two members from New Brunswick that the purpose of this legislation is to broaden the parole facilities and to emphasize the remedial rather than the punitive aspect of dealing with juvenile delinquents. The Minister of Justice will notice that I am putting this in the form of a query because I am in a bit of a quandary as to which is the right interpretation of the legislation, whether it is a retrograde step or whether it is actually going to deal with the reforms suggested by the province of New Brunswick.

Finally, Mr. Chairman, in the granting of parole facilities to the provincial government, I am wondering whether the supervision of the parolee under those circumstances comes directly under the provincial authorities or still falls back upon the federal authorities? I say that because if any program of parole is going to deal adequately with the situation there must be proper supervision and properly trained personnel. There must have been some form of rehabilitation program that will help in the transition from the life of the institution to life in free society. Provided the personnel are available and provided an adequate parole program is available, I would tend to feel that this legislation is a step in the right direction.

So far as the indeterminate sentence measure is concerned, I am wondering whether the emphasis in allowing for an indeterminate sentence is to make it possible to further punish the delinquent, or is it to

provide a longer period of time in order to apply a remedial and educational program? I would suggest it is much better, especially in the case of juvenile delinquents, to release them at the time when they are psychologically ready rather than subscribing to the philosophy that when their time has expired out they go, regardless of whether or not they are psychologically prepared. I would presume also that the indeterminate measure is there to allow a suitable time for completing any trade training that the juvenile delinquent may be undergoing within the institution. Again, if that is so, it is absolutely essential that the provincial authorities have adequate programs set up within the so-called modern institution.

I have presented all this somewhat in the form of a query because we seem to be at cross purposes as to the emphasis placed on the measure last night.

Mr. Hansell: Before the minister replies, I have a question or two to which he might reply at the same time. Although I did not speak on second reading, I am inclined to favour the bill because I believe it is a step in the right direction in giving boys a chance when they recognize they have done wrong. I believe you cannot stereotype human nature. You cannot impose penalties and say we imposed that penalty on one boy a few months ago, and therefore we are going to impose the same penalty for the same crime on another boy. Perhaps from the legal point of view that is a reasonable approach; but from the point of view of human nature it may not necessarily be. I have had considerable experience in work among boys and have been in charge of a number of boys' camps. I have studied boys under those conditions and believe I have learned something about them. In my earlier experience the philosophy was held out to me that, in reality, there never was a bad boy. However, after having operated some of those camps I am inclined to the belief that that philosophy is wrong, and that there are bad boys. Of course the philosophy has its background in the thought that we should never look upon boys as being basically bad, and that we should keep in mind that under proper environment and as a result of proper training their lives can be shaped so that even those who may appear to be the worst may turn out very well indeed.

I remember one boy who had the habit of inflicting punishment upon animals. He would grab a cat, take out his knife, and cut its head off, just to see the reaction. At one time or another however in that boy's life he received a different kind of instruction, and because of that instruction and an improved environment he turned out to be one of the best young men in the community. As a matter of fact he became a medical doctor. Perhaps his experience in cutting the heads off cats gave him a good deal of practice.

I do not believe human nature can be stereotyped. This bill gives the boy a chance. It may be found that, after all, his punishment may have been a little too harsh, and it may be felt that with the proper adjustments in his life he may make a great improvement.

However, what I had intended to say at this time was along slightly different lines. All the reformatories in the world do not get at the basic or root causes of juvenile delinquency. I doubt very much whether we could introduce legislation that would deal adequately with this problem. I made reference to the subject last year when we were considering the minister's estimates. Perhaps in doing so I was slightly out of order, because I noticed that at the time the chairman was tremendously agitated. I did so however because there does not appear to be any place in the estimates or, in fact, anywhere else, where one could discuss in detail the subject of juvenile delinquency, and suggest a remedy for it.

Mr. Winch: I suggest that it could be done under the administration vote in the minister's estimates.

Mr. Hansell: Perhaps so; I am not going to argue the point. I have always made the claim that nothing could happen in Canada that would not find its place under some department of government, upon which responsibility could be focused. But when it comes down to certain principles of life it seems that we cannot legislate, and it becomes very difficult to know what action to take.

I claim that the solution to the problem of juvenile delinquency is not that of dealing with it when it is upon us. Rather, the basic solution is to deal with it before it becomes juvenile delinquency. Therefore I claim the home is greatly responsible for the situation, and it is something concerning which we cannot legislate. Not long ago I read an article stating that the wave of juvenile delinquency in these days could be traced to the condition during the war years, when mothers and fathers were working, or fathers were away and mothers had to assume all the responsibilities of the homes. It was suggested that under those conditions children did not have the chance they should have in their own homes, and it was pointed out that

the war was responsible for the juvenile delinquency which followed.

This contention can be overemphasized, in my opinion. I believe we have to focus responsibility upon home and school life. Some service clubs have taken an active interest in this respect and have done marvellous work. It is unfortunate that we cannot appropriate more money to organizations of that kind, with a view to preventing juvenile delinquency.

However, when this condition develops it must be dealt with. The minister is taking the proper procedure in this bill when he gives the boy or the girl a chance. When it is found that proper environment and proper direction can help these young people, and that lives can be saved, it is only proper that they be given that environment and direction.

Let me say at once that I have no use for any process of mollycoddling. In my view when people commit wrongs they should be punished.

Mr. Winch: Is the hon. member in favour of two punishments for one crime?

Mr. Hansell: No, I am not in favour of two punishments for one crime. I believe that when the penalty is meted out, and when that penalty has been paid, then the debt to society is cancelled. However, I do not look upon this bill as making provision for two punishments.

Mr. Winch: That is my only point.

Mr. Hansell: I agree with my hon. friend on that. Referring again to my reference to mollycoddling, there are some who believe that only kindness should be shown in the treatment of crime. I do not think that is so. There are times when firmness must be shown, while at the same time showing a measure of kindness.

At this point I would ask the minister a question. Perhaps he would be prepared to discuss the matter at some greater length, because most of us are not too well informed about reformatories. I believe that the personnel of these reformatories must be very carefully chosen. If you get men in boys' reformatories or women in girls' reformatories who are going to be great big bosses and nothing more than bosses, who are going to throw their weight around and take it out on the boys just to be spiteful or to get their own way, that is not the way to handle them. I have found from experience that sometimes you can take a very bad boy who is upsetting the whole works by his attitude and give him some responsibility. He exercises that responsibility. He feels that he counts for something, and through that responsibility you can sometimes overcome the problem that he himself is making.

All I am saying here is that trained and efficient personnel should be chosen for the particular positions in those reformatories, but at the same time having due regard for everything. Their chief function should be to see whether they cannot make something out of the life of the boy or girl. If they are there simply to hold down a job and to see that the inmates are regimented, that they are in at night at a certain time and to act as big bosses, then they will not reform the children. That is my own view.

I note that the parole board is chosen by the provincial government. Can the minister throw light on the method that the parole board uses in determining what parole should be given? Do they interview the boy or the authorities? Is it paper work? Just what method is used?

I do not think I need to take up any more time of the committee. I have expressed my ideas. I do emphasize once again that you will not get rid of juvenile delinquency by all your prisons or all your penalties in the world. There has to be something basic in it. It has to be tackled at its source.

Mr. Garson: Mr. Chairman, I wanted to hear and reply to all criticisms; but perhaps I might have shortened the debate somewhat if I had risen to my feet earlier in the discussion, and I am at fault to some extent for not having done so. Several of those who have taken part in the debate have proceeded quite sincerely upon what I must regard as a misconception of the arrangement that is envisaged in this proposed legislation.

But before I deal with this point perhaps I had better answer the question which has just been asked of me by the hon. member for Macleod. He asked what are the conditions under which parole would be granted by a provincial parole board appointed under this proposed legislation. I do not think I can do much better by way of a reply to that question than to read the conditions of the licence—that is the term used, the parole licence—which is issued by the British Columbia parole board under a provision in the Prisons and Reformatories Act, dealing with that province. They are as follows:

1. The licensee,—

That is the parolee.

—during the term of his licence, shall be under the supervision and authority of the provincial probation officer.

2. He shall proceed to such place and remain in the care of such person as is directed by the provincial probation officer and shall not move

from that place or change his residence without the consent of the provincial probation officer or the person under whose care he has been placed.

3. He shall obey such instructions as may be given him and shall report periodically as and when directed.

4. He shall abstain from any violation of the law.

5. He shall not habitually associate with notoriously bad characters, such as reputed thieves and prostitutes.

6. He shall not lead an idle and dissolute life without visible means of obtaining an honest livelihood.

7. He shall preserve his licence and produce it when called upon to do so by a magistrate or peace officer.

Then there is a provision for further conditions to be inserted at the bottom, applicable to the specific person named in the licence.

I said during the debate on the second reading of the bill, by way of a suggestion to the hon. member for Vancouver East, that I thought the reason for this provision would emerge if he would read slowly and aloud the clause which is under discussion. Perhaps I had better indicate the sincerity of my suggestion by following that course myself. Clause 111 reads:

Where any boy, apparently under the age of 16 years, is convicted of an offence punishable by law on summary conviction, and thereupon is sentenced and committed to prison in any common jail for a period of not less than 14 days, any judge of the supreme court or a county court, in any case occurring within the county or counties for which he is such judge, may examine and inquire into the circumstances of such case and conviction, and when he considers that the material and moral welfare of the boy requires such sentence, he may, as an additional sentence for such offence, sentence such boy, either forthwith or at the expiration of his imprisonment in such jail, to the boys' industrial home, to be there detained for the purpose of his industrial and moral education for an indefinite period, not exceeding in the whole five years from the commencement of his imprisonment in the common jail.

The clauses of this section that require emphasis are these. When the judge "considers that the material and moral welfare of the boy requires such sentence", he may sentence the boy to be detained in the industrial home "for the purpose of his industrial and moral education for an indefinite period not exceeding in the whole five years". I must confess that—

Mr. Winch: As additional to the offence.

Mr. Garson: Yes, as an additional sentence.

Mr. Winch: To the offence.

Mr. Garson: I am afraid that I do not get my hon. friend's point.

Mr. Winch: The minister emphasized certain clauses. I am asking him to emphasize the part which appears halfway down the clause as follows: "As an additional sentence for such offence."

Mr. Garson: As an additional sentence for such offence.

Mr. Winch: Is that in law?

Mr. Garson: In law?

Mr. Winch: An additional sentence for an offence.

Mr. Garson: The language to which my hon. friend refers is necessitated by the fact that the only way under our law in which one free man can lawfully interfere with another free man's freedom is by virtue of such a provision in the law as that under which an accused who has been found guilty can be sentenced and thereby deprived of his liberty for a period of time, determinate or indeterminate, not to exceed a prescribed limit, by reason of the offence that he has committed. It is perfectly clear in this legislation that the real reason for the indeterminate sentences for these boys of an age of less than 16—

Mr. Winch: Mr. Chairman,—

Mr. Garson: If my hon. friend will let me finish the sentence, or the idea, then he can ask all the questions he likes. The real reason for this indeterminate sentence is to provide for the boy's welfare. The section says that the judge may do this in view of the circumstances of the case, and for the purpose of his moral and industrial education.

Let us take a concrete case of a young lad, we shall say, of 14 years of age who is brought before a magistrate for what may be a pretty minor and frivolous offence such as stealing a banana from a fruit stand, or something of that kind. They might let him off with a suspended sentence and without sending him to an industrial home, or jail, without taking his liberty away at all. But supposing the police who arrested the boy find on inquiry that the home he comes from and the environment in which he lives make it seem to be quite likely that this first offence is but the beginning, that if he continues to live in that environment he is headed for a really serious criminal career.

Under those circumstances it seems to me that while the offence itself might not be serious—if you will read the section you will see that where a boy is committed to a prison for not less than 14 days, that is anything above 14 days in the way of a determinate sentence, that is sufficient justification for an indeterminate sentence—the intelligent thing to do is to have that boy taken away from this unfavourable environment in which he is living and put in an industrial home where he can be properly trained. I am surprised to hear the hon. member for Vancouver East

object to this procedure. I had always understood that in his humane attitude towards prisoners he had thought—and I must say that if I correctly appraise his thoughts I agree with him—that the real function of all prisons should be, not so much to punish as to rehabilitate. It is true that prisons are provided for the security of society; but if we do not rehabilitate in the prisons and merely treat the prisoner's incarceration as punishment, then the security to society that we provide is very temporary and in many cases will cease the minute the man is released from prison.

Mr. Winch: I appreciate what the minister is saying and his interpretation of my views on rehabilitation is absolutely correct. As I understand it, the minister is discussing the new section 111.

Mr. Garson: I am attempting to reply to a number of hon. members. I have no objection to my hon. friend from Vancouver East putting a question, but I should like to preserve some sort of continuity in my remarks and would appreciate that my hon. friend should not make a number of speeches in interruption of my own remarks.

Mr. Winch: Is the minister not referring to section 111?

Mr. Garson: If my hon. friend wishes to ask a question I shall be glad to answer, but I would prefer that he should not interrupt me in order to make another speech.

Mr. Winch: Section 111 deals with summary convictions under which a boy may be sentenced to a short term, but then, and I quote, there can be an additional sentence for such offence. I ask the Minister of Justice how that additional sentence of up to five years can be imposed on summary conviction which is for not over two years. Where in the law do you find that?

Mr. Garson: Mr. Chairman, my hon. friend will find it in the language of the section he has just quoted. That is what this section says; and that supports the argument I have been making. It makes it abundantly clear that where a boy has been convicted of a summary offence for which he may be imprisoned for only 14 days the judge, where he sees that the facts warrant it, may order that the boy be detained in an industrial home for an indeterminate period not exceeding in the whole five years.

Does any person suppose that this indeterminate sentence is really a punishment so much as it is an attempt at the rehabilitation of that boy in perhaps the only way in which it can be brought about? If the boy comes from a broken home, say with a drunken father and a prostitute mother, it does not strike me as being a very intelligent disposition of his case to put him in prison for 14 days and then let him return to that evil kind of environment.

Mr. McIvor: Would not the boy have a better place to sleep and have better food to eat when he goes to that place?

Mr. Garson: Of course he would have. In addition to that he would receive proper training. My observation has been that most criminals come from unhappy homes. During their childhood they have lacked that kind and intelligent care which would be given in an industrial home even though on an institutional basis. If you examined these cases, as I had to do in connection with the duties I discharged when we did not have a solicitor general handling the federal Department of Justice remissions, you would find that in a great majority of cases the men and women who are criminals have had an unhappy home in their childhood.

Even though the parents are poor, if there are a loving and respectable mother and father the child usually gets a good start in life. But even with wealthy parents, if there is no love and respect in the home the child gets a bad start. When therefore we come here with a provision of this sort I would have thought the hon. member for Vancouver East would have been the first member to support it.

Mr. Winch: If it is the first sentence, yes. I have said that twice now, that the first sentence should be the indeterminate sentence.

Mr. Garson: I have listened to this discussion as to the difference between a primary indeterminate sentence and the indeterminate sentence being imposed afterward. I must say that I find it to be a rather quibbling sort of argument. If the determinate sentence is 16 days and the indeterminate sentence lasts three years, what difference does it make with regard to the three-year period that it was preceded by 16 days?

An hon. Member: None.

Mr. Winch: It certainly does.

Mr. Garson: In all these amendments to the Prisons and Reformatories Act, as I went to some trouble to explain on the second reading of this bill in order that there would not be any misunderstanding as to just what function we are performing in this connection, we are dealing with legislation which has to do with the administration of provincial institutions. We are overcoming a certain difficulty under our constitution by providing in this case federal

legislation for the government of New Brunswick which after careful consideration that government has asked us to provide.

That being so, I think that unless there is some clear evidence to the contrary we are bound to take the position that in asking for this legislation the provincial government of New Brunswick, which is a responsible body, was acting properly and within its rights. Unless therefore we have some cogent reasons which are quite apparent on the surface for thinking they are quite wrong in regard to this particular section we should grant it in the form in which they have asked for it.

In this connection, what are the facts? This section under discussion is not, as would seem to be indicated by some of the arguments we have heard, the product of some new brainstorm that has overtaken the government of New Brunswick in the last few weeks. As I indicated on the second reading of the bill, this industrial home for boys was set up in 1893. If the hon. member for Vancouver East and the other hon. members who have taken part in the debate will look at the legislation of that time they will see that this provision which we are discussing has been in our act since 1893. If it were subject to the abuses which are now attributed to it one would have thought that they would have become apparent long since.

Mr. Winch: There have been changes in thinking by 1955.

Mr. Garson: Certainly there have been changes in thinking by 1955. But I suggest quite sincerely to my hon. friend—who I think himself is of the same view—that, so far as this particular section is concerned, the concept that a juvenile delinquent who is the product of a bad home environment should be taken from that environment and put into a proper institution is one with which I am sure he would agree. It is certainly one with which I agree.

Mr. Winch: I have made that point clear all down the line.

Mr. Garson: I am saying that. I am giving my hon. friend full marks. That is why I say I cannot understand why he is opposed to this section.

Mr. Winch: On the procedure.

Mr. Garson: As to the procedure, what difference does it make whether there is this determinate sentence and then the indeterminate sentence?

Mr. Winch: It makes a great deal of difference.

Mr. Garson: Moreover, I would point out that this provincial parole board, which will be set up under the legislation we have before us here, will be made up of responsible citizens. It will operate under conditions which will be fixed by myself as Minister of Justice similar to those which I read to the committee a few minutes ago. If this provincial parole board had any reason to suppose that the juvenile who was serving this indeterminate sentence in the industrial home was not making the progress he should make, or if for any other reason that might occur to the parole board it thought he should be released, I am sure it would be glad to release him. But I am also sure that if the boy had an evil home environment there is small likelihood that the board would release him from the industrial home to go back to that evil environment.

The question may be asked—I think it was the hon. member for Saskatoon who raised it—whether this industrial home was to be properly staffed. In that connection I think probably I could not do better than read this letter. I may say that this is a different letter from the one I read on Friday. It is a letter which we received from the government of New Brunswick back in 1953 at the time they were considering the setting up of this industrial home. This letter reads as follows:

> In 1949, the child welfare officials of this province expressed such concern with respect to the spreading of juvenile delinquency that the provincial government appointed a committee to investigate the conditions leading to delinquency and to recommend methods of dealing with delinquents.
>
> The report of the committee, under the chairmanship of Miss Bessie F. Touzel, assistant director of the Canadian Welfare Council, Ottawa, recommended a number of important changes in the legislation respecting this subject.
>
> The Boys Industrial Home Act, chapter 22 of the revised statutes of New Brunswick, 1952, was accordingly amended at the 1953 session of the legislature to conform to recommendations contained in the committee's report.

In other words, legislation was put through the New Brunswick legislature to make in this home the administrative changes that are the counterparts of the federal legislation which is required to cover the question of the detention of convicted persons under the Canadian Criminal Code so they may be legally received and detained in that home. I quote again:

> The boys industrial home, which is specifically designated in part V of the Prisons and Reformatories Act as the place of imprisonment for the purposes of the act, was established by provincial legislation in 1893 as a reformatory prison, and a "governing board" was constituted a body corporate for the purpose of its administration.

The amendments made to the Boys Industrial Home Act during the last session of the legislature are, in short, as follows:

(a) The governing board of the boys industrial home, referred to in part V of the Prisons and Reformatories Act, has been dissolved and the administration of the home confined to the minister of health and social services.

In other words, it is directly responsible to a minister of the crown in the New Brunswick government. The letter continues:

(b) The home is now described as a reformatory or industrial home, rather than as a reformatory prison as heretofore.

Then listen to this:

(c) The aims of the home are now confined to—

Not detention or imprisonment.

—the education, industrial training and moral reclamation of juvenile delinquents.

(d) The act, as amended, provides for the establishment of an advisory board and a parole committee.

The board and the committee have since been established.

In keeping with the recommendations of the Touzel report, every effort is being made to provide the boys industrial home with trained personnel. The appointment of a new superintendent is pending;—

I think this answers the question raised by the hon. member for Macleod.

—the appointee, a trained clinical psychologist, will be assisted by a psychiatric social worker. These two officials are already on the staff of the department of health and social services.

However, the boys confined to the home will not fully benefit from the improvements adopted by the province of New Brunswick since most of them are committed for violation of the Criminal Code of Canada and as such are subject, almost exclusively, to part V of the Prisons and Reformatories Act.

Then, in order to carry out these reforms which have been authorized by the provincial legislation, since they also come under the federal Prisons and Reformatories Act, he says this and I again quote:

I therefore request that consideration be given to amending part V of the Prisons and Reformatories Act so as to make all the provisions of the Boys Industrial Home Act applicable in all respects to juveniles committed for violation of the laws of Canada.

I am enclosing copies of the Boys Industrial Home Act, with amendments, together with a copy of the recommendations made by the "parole committee". These recommendations have been approved in principle by the minister of health and social services and myself.

Under these circumstances, Mr. Chairman, it seemed to us that the requests of the government of New Brunswick were fair, wise and proper. Indeed, I cannot find much higher praise for them than to say that they meet the views of the hon. member for Vancouver East in respect of the proper treatment of juvenile offenders, namely a treatment that is rehabilitative in character and not merely punitive. That being so I plead—and I think with good cause—for the support

of the hon. member for Vancouver East and the other members who have spoken to the reforms which are covered by these suggested amendments.

Mr. Winch: Mr. Chairman, I have listened with a great deal of attention to the remarks made by the Minister of Justice. On rehabilitation I of course agree with him 100 per cent. With the remarks of the attorney general which he has just quoted from the letter, I of course agree 100 per cent. There is no question about that whatsoever.

I have always had the highest regard for the Minister of Justice and I am rather disappointed at the line he has taken just now. He knows that not only I but all of us agree on all this approach, with regard to advancement, plans for rehabilitation and for taking care of the young. When I spoke on second reading last night and again this afternoon in this committee, at no time whatsoever did I criticize the advances provided for in this bill nor did I oppose the bill as a bill or criticize the question of rehabilitation. I have consistently raised only one point and the Minister of Justice unconsciously, shall I say—because I do not think he would do it deliberately—has kept completely clear of and away from the only point that I have raised.

I notice he has spent all his time on what will be section 111, having to do with summary conviction, but has made no mention at all of the new section 110 under which much heavier sentences can be imposed. I do not want to repeat. I have only one query, and it is the only one I have ever raised. It has to do with the psychological effect on a boy under the age of 16 who is charged with an offence under the law, found guilty, sentenced to a definite term and then having paid his debt to society, finds himself in the position of having a further sentence imposed in the discretion of a judge, which sentence can keep him in an institution up to five years.

Mr. Garson: May I ask my hon. friend a question?

Mr. Winch: Yes.

Mr. Garson: Would he, as in many cases is the only other alternative, send the boy back to the bad environment from which he came?

Mr. Winch: I am afraid that the Minister of Justice either did not listen to what I said last night or has not listened to what I have been saying this afternoon. As a matter of fact, I was called out of order by the Speaker last night when I tried to speak about environment as it affects criminals in this country, and especially as it affects our youth.

The minister will realize I was called out of order last night when I tried to speak on that very matter. I want to know, and the minister has not answered me yet, under what law, what phase of Canadian justice, is a person found guilty of the same offence twice? The minister partially explained that by the fact that it is being done by this legislation. I maintain that is not right. If a boy is guilty of an offence, find him guilty, sentence him, let him serve his sentence and then release him.

I come to what the Minister of Justice asked me. He wanted to know if I would send the boy back to the same environment. The answer is no. If it is wrong for the boy to go back to that environment then remove him from it not on the basis that he has served his sentence on the charge on which he was found guilty but on the basis that he should be removed from the environment as a delinquent, as a bad boy, as a boy needing the opportunity of education and training.

Mr. Garson: Read the section.

Mr. Winch: I have read it and I know it. In sections 110 and 111 you find him guilty first—

Mr. Garson: Will my hon. friend permit a question?

Mr. Winch: Certainly.

Mr. Garson: What does he think that language means?

Mr. Winch: Where?

Mr. Garson: In section 111, the section we are discussing. It reads:

> . . . such judge, may examine and inquire into the circumstances of such case and conviction, and when he considers that the material and moral welfare of the boy requires such sentence, he may—

And so on.

Mr. Winch: Read the "and so on".

Mr. Garson: Certainly. I will read the whole thing.

> —as an additional sentence for such offence, sentence such boy, either forthwith or at the expiration of his imprisonment in such jail, to the boys' industrial home, to be there detained for the purpose of his industrial and moral education for an indefinite period, not exceeding in the whole five years from the commencement of his imprisonment in the common jail.

The point I would emphasize again, and which I think the hon. member for Vancouver East is overlooking, is that this is not done except where the judge considers on examination of the circumstances of the case that the material and moral welfare of the boy requires such further detention in the industrial home for the purpose of his industrial and moral education. So far as these purposes are concerned, I cannot imagine any that would be more worth while.

Mr. Winch: Mr. Chairman, this is one of the weirdest situations in which I have ever found myself in my 22 years' experience. I am convinced the minister and I are not far apart and yet at the same time we are worlds apart because the minister will not recognize what I am trying to tell him, that as an additional sentence for such offence the judge can do so and so and so and so. I am trying to point out that from the psychological point of view that is dynamite in the case of a boy at that impressionable age under 16. How many times do I have to tell the minister that it should be put as an indeterminate sentence to meet exactly what the minister wants, but do not leave it so that the boy will feel that he has been sentenced, has served his term and is still there.

I can assure the minister and all other members of the house that it is not going to rehabilitate psychologically a boy under 16 when he can be sentenced to a definite term and then receive an additional sentence up to five years. It will not help in the case of those who come under section 110 which is taken from the Criminal Code. It will not help a boy who has received a sentence of two years or more to find that, having served his definite sentence, he still has more years to serve on an indeterminate basis. I am going to quit. The minister and I are very close together on what we desire, but I am convinced that the minister is missing out on the procedural effect. That is all I am asking him to consider.

As I said last night and this afternoon, I welcome the bill as an advance in Canadian penology. I most sincerely welcome the letters expressing the approach and views of the attorney general of New Brunswick. He should be most highly commended. But I feel a mistake is being made in sections 110 and 111, and surely it is our responsibility in the House of Commons to point out a possible improvement.

Mr. Hahn: I have a question or two I should like to put to the minister. When is the boy sentenced to the additional term? Is it at the time of the trial? Or after he has served his first sentence is the case again brought before a judge for review and the possible imposition of an additional sentence?

Mr. Garson: I think the terms of the section make that quite clear. It reads:

> Where any boy, apparently under the age of 16 years, is convicted of an offence punishable by law on summary conviction, and thereupon—

Sentence will be imposed right after conviction.

—is sentenced and committed to prison in any common jail for a period of not less than 14 days, any judge of the supreme court or a county court, in any case occurring within the county or counties for which he is such judge, may examine and inquire into the circumstances of such case and conviction, and when he considers that the material and moral welfare of the boy requires such sentence, he may, as an additional sentence for such offence, sentence such boy . . .

The boy could come up for sentence before a magistrate, and if my hon. friend will examine section 111 he will see that it is only a judge of the supreme court or a county court who has the authority to impose this indeterminate sentence. It would have to be done, therefore, after the boy had been before the magistrate because first of all there must be a primary, determinate sentence imposed by the court before which the boy is found guilty, and then a subsequent inquiry by a supreme court or county court judge into the circumstances of his case.

Mr. Trainor: May I ask the minister whether or not the accused has the benefit of counsel at this subsequent hearing resulting in the indeterminate sentence?

Mr. Garson: I certainly think there is no doubt at all that he has the privilege of having counsel. I do not think I could honestly say that in every case in which a juvenile came up he would be assured of counsel unless perhaps the bar association in New Brunswick, as they do in my own province, have a board set up for the purpose of seeing that prisoners are represented by counsel in all cases, whether or not they can afford it. I must say I do not know whether or not that exists in New Brunswick. He has the right to have counsel, that is certain.

Mr. Trainor: It seems to me that the point the hon. member for Vancouver East is raising is an objection to committal other than by due process of law. In other cases in which there is a committal it is always after a trial in which the individual has all the privileges of counsel. I should think that this would be a very important consideration, that no individual be committed to any institution on any type of sentence unless somewhat the same formalities are carried out as in a regular trial.

Mr. Garson: So far as the procedure in the administration of justice to which my hon. friend has referred in New Brunswick is concerned, it will be appreciated that those are provisions that would have to be made there as a matter of practice. In any event, I would think it would be a most extraordinary thing for a supreme court judge of that province or a county court judge to ever make an order of this kind without the most careful investigation. You see, the investigation he makes is into the circumstances of the case. How did the boy come to do this? What was his background and his environment? I cannot imagine a judge making an order of that kind without the most careful and exhaustive investigation, even if there were no counsel there at all.

Mr. Fairey: I think the difficulty has arisen here in the matter of interpretation. I support fully the preference which seems to have been expressed for the indeterminate sentence. The difficulty seems to be the objection to what has been termed two sentences for one criminal act. I have read these two sections carefully, and I would ask the minister if this interpretation is not really the true meaning of section 110, and the reason why the expression occurs, "may further sentence"?

Using the example of the hon. member for Prince Albert, where a person is convicted of a crime carrying a sentence of two years, who would then be released on parole after serving a term of probably a year and three or four months, does this not mean that the person is, in effect, given an indeterminate sentence? He could not be released at a time earlier than one year and three or four months. In other words, after he serves a sentence appropriate to the offence for which he has been primarily committed, he can be paroled?

Mr. Garson: In other words, what my hon. friend is saying is, does he not have to serve his primary determinate sentence in full before any probation can be exercised in relation to the indeterminate sentence? No, I think not. I listened carefully to what the hon. member for Prince Albert said and I will grant that in cases which have to do with adults where there is a primary sentence, determinate sentence and a further indeterminate sentence, the cases are exceedingly exceptional, if indeed there are any, in which the remission board grants a remission in respect of the determinate sentence until it has been served in full, knowing there is in addition to that an indeterminate sentence.

One of the reasons for that is, as my hon. friend may know, that most of these indeterminate sentences are imposed in respect of people who have been convicted as habitual criminals. There are not very many of them and there are not many indeterminate sentences. But when an indeterminate sentence of that kind is imposed upon a man convicted of being an habitual criminal he has always

a record as long as your arm, he is usually a very desperate criminal, and there is no basis in fact for the granting of any remission, either of the determinate or indeterminate sentence. In other words, it does not arise from the rule that was referred to by the hon. member for Prince Albert which was, as I understood it, that having imposed a determinate and indeterminate sentence you could not remit in connection with the determinate sentence until it was fully served. It arises rather from the fact you very seldom have grounds for the exercise of any remission, in the case of an adult habitual criminal, in relation to either the determinate or indeterminate sentence.

In the case of a juvenile it would seem to me quite clear that if a boy were sentenced to a year determinate and another two years indeterminate, or three or four years indeterminate so the total would not be more than the five years indicated, then if at the end of six months perhaps the parole board had evidence brought before it whereby they were assured that this lad could get out of the industrial home and get a job with a farmer who was willing to take him and where he would have loving care, then I do not think they would have the slightest hesitation about granting parole. But as I apprehend it the main purpose of this whole legislation is that if there are no families that will take these boys, if there is no other environment in which they can be placed, at least they will be assured of the kind of environment which the industrial home will supply them. This will provide them with a decent chance in life. The thing we have to keep in our minds above all else in considering this legislation is that we are not dealing with adults, we are dealing with children. We are trying to provide that they shall not, if they have been convicted of an offence, ever have a worse environment than that which the industrial home provides.

Mr. Winch: May I ask a question? I hope I am not out of order, Mr. Chairman. Would the Minister of Justice consider moving that the committee rise, report progress and ask leave to sit again, in view of the fact that a committee meeting of the greatest importance in which he and I are both concerned has been called for 4.30?

Mr. Philpott: Before that is decided, Mr. Chairman, may I say that for the past two days I have listened carefully to all the arguments and for the life of me I cannot see that the hon. member for Vancouver East, whom I esteem very deeply especially in this particular matter, has really explained what his grievance is. I agree entirely with what he says about the psychological effect of indeterminate sentences, and what seems to be the imposition of a double sentence. Surely, the whole purpose of what we are trying to do here is to validate some legislation that has been requested by New Brunswick. What New Brunswick is asking for is exactly what has been in effect in Alberta and Ontario.

While my lawyer colleagues in the house may not like this term, I think that sometimes when you make laws you have to have a legal subterfuge to achieve certain good things. I think the end that is being achieved by the two sections in dispute, sections 110 and 111, is entirely the end that the hon. member for Vancouver East wants to achieve. It seems to me what he objects to is what seems to be the power of a judge to inflict a second sentence at the end of the determinate period. When you come down to reality, surely what it is in practice is that the judge, for the sake of the boy or the girl, can keep that boy or girl away from an environment that would do injury to that boy or girl. But when we come down to reality, surely what it is in actual practice is that a judge, for the sake of the boy himself, or for the girl, as the case may be, is keeping that boy or girl away from an environment that would be injurious. So it seems to me that if we had the complete privilege of wording the act as we would like to word it, we might have done so in such a way that it would not have caused such unnecessary conflict. However, I for one cannot see any difference between what the hon. member for Vancouver East is trying to get and what the Minister of Justice is giving us in this legislation.

Mr. Hahn: Mr. Chairman, I have listened with interest, and for two reasons, to the discussion of this matter. I have listened, first, because apparently the measure is intended to combat juvenile delinquency, which is a very important problem in Canada today. In the second place, I have before me an article which appeared in the Vancouver *Province* of May 30, bearing the heading "To the Penitentiary at Fourteen". It states in part as follows:

> A 14 year old British Columbia boy has been sentenced to two years in the penitentiary for car theft.
>
> The brief Canadian Press story about the sentencing of this lad had little to say about his case, except that he was one of four pyjama-clad youths who escaped from Brannen Lake school for boys a few days ago.
>
> We do know, however, that when he appeared before Magistrate L. Beevor-Potts in Nanaimo he pleaded to be sent to the penitentiary because "at least I'll learn something there."

This, apparently, indicates the expressed desire of a youth who found himself in the toils of the law, when he said he wanted to learn something that might be of some particular value to him. No doubt this is not the only boy who has recognized his difficult position and asked that something should be done for him. The fact that this boy has indicated a desire to learn, while being sent to a penitentiary, is most important indeed.

For this reason I would be most sympathetic toward the bill. I raised a question earlier because I felt there must be some way of getting around the principle of the double sentence. If the clauses are read carefully, as the minister has suggested, then every individual will be made to understand that a possible five-year sentence is facing him. That is a most important factor. Under those circumstances I would suggest that possibly the offender should be sentenced to an indeterminate sentence of five years.

Mr. Philpott: To a reformatory.

Mr. Hahn: Such sentence would be subject to review at a particular time, as stated by the judge who passed the sentence. It might be, of course, a magistrate who would sentence the individual to two weeks to begin with. It could not be done by a magistrate, because an indeterminate sentence of five years would not be permitted from him. But whoever sentenced the individual could ask for a review by the parole board at the end of two weeks, or a month, or two years, as the case might be. At that time it might be decided to set a later date at which the sentence could be reviewed, if it was found that the boy was making headway, that he was learning, or that it was hoped he might do so.

I would support the hon. member for Vancouver East so far as his contention regarding the psychological effect is concerned. A person who has paid for his crime has the right to feel that he will be free and able to continue his life with his old friends. If that boy were then to find that he was to be brought before a judge and sentenced to another five years, as an indeterminate sentence, it would simply sour his attitude towards society. I do not think we would be treating such an individual properly. I would ask the minister to give some consideration to the suggestion I have made, in the hope that something might be done.

There is one other question the minister might consider. Is there similar legislation in effect in any other province of Canada; if so, in what province or provinces?

Mr. Garson: I realize the hon. member does not have the federal statutes in front of him. However, if he would look at section 52 of the Prisons and Reformatories Act as passed by this parliament he would see that similar legislation is in effect in Ontario, that it is found in section 137 of the Manitoba part of this act, in section 92(6) of the Nova Scotia part and section 142 of the British Columbia part of this act limited to girls only.

Mr. Hahn: In view of the fact that it is in effect in British Columbia, if it is working properly I am wondering why a child of 14 would ask to be sent to a British Columbia penitentiary so that at least he could learn something, as is indicated in the editorial in the Vancouver *Province* of May 30.

Mr. Garson: I am afraid I could not answer or give explanations about an individual case in any province. In such a case there may be a number of circumstances that would make a certain course seem the wise one. However, since I do not know anything about the case to which the hon. member referred, I could not comment upon it intelligently.

Mr. Montgomery: Mr. Chairman, this discussion has extended over a wide field. However, after listening to the minister's explanation I cannot see very much to worry about. I am not absolutely or 100 per cent familiar with the intention in this instance, or with the details of carrying out reformation procedure in New Brunswick.

I do think, however, that hon. members who have spoken about sections 110 and 111 have overlooked section 112. It is the new section that gives the protection, because it gives the provincial authority the right to set up a parole committee which will review cases from time to time, or as often as required. All these institutions will be under the supervision of a person to be known as the inspector of penal institutions. He is to be a trained man and will be in charge of county jails, the industrial home for boys and the central reformatory. It will be his duty to see that in connection with detention there will be associated the idea of reform, education and rehabilitation rather than that of punishment.

This principle was expressed clearly in the letters read by the Minister of Justice. My reading of sections 110 and 111 does not indicate that a judge or a magistrate would give a sentence for a definite period and then bring the boy back and give him a further indeterminate sentence. It is all done at the same time, and I doubt if one boy or girl in a hundred would know there was a fixed period of detention with an indefinite period added. It would mean to them that they would be detained for a certain length of

time; then, under section 112, whether they are detained for a fixed period, or a fixed period plus an indefinite period, their case may be reviewed.

That is my interpretation. If I am wrong in that I am sure the minister will correct me. As I say, that is the intention of the clause. If that is so, then we are causing ourselves a lot of worry and taking up a lot of time on this bill which is not necessary. This legislation was given a great deal of thought before the Department of Justice was asked to present it. I have faith in those in charge of the administration of justice in New Brunswick; I am sure the legislation will be carried out with the idea of reform, education and rehabilitation in mind, and that is what we are all after.

Clause agreed to.

Title agreed to.

Bill reported, read the third time and passed.

ALBERTA-BRITISH COLUMBIA BOUNDARY

LEGISLATION CONFIRMING NORTHERLY PORTION

Hon. George Prudham (Minister of Mines and Technical Surveys) moved the second reading of Bill No. 412, respecting the boundary between the provinces of Alberta and British Columbia.

He said: The purpose of this bill is to confirm the last section of the boundary between Alberta and British Columbia which has finally been marked on the ground. The legislatures of both provinces have passed bills confirming the boundary as marked, and we are introducing this bill to confirm it here. This will mark the final completion of the entire boundary.

The boundary between the provinces of Alberta and British Columbia is defined by sections 7 and 8 of the imperial act, chapter 29 and 30 Victoria, chapter 67.

In April, 1912, the surveyor general of dominion lands and the surveyor general of British Columbia, the latter at the instance of the minister of lands for British Columbia, discussed the matter of the survey of the boundary between the provinces of Alberta and British Columbia, with the result that at the suggestion of the two provinces concerned an order in council was passed on the 18th day of February, 1913, inviting the governments of Alberta and British Columbia to join in the survey of their respective boundary. Both provinces accepted the invitation and each appointed a representative by orders in council passed on the 16th day of June,

1913, and the 1st day of August, 1913, respectively. By P.C. 1721 of 1913 the government of Canada appointed its surveyor general to represent the dominion on the survey.

The part of the boundary to be surveyed at that time was from the 49th parallel, that is to say, the boundary between the United States and Canada, up to a point on the 120th meridian of west longitude about north latitude 57° 26′ 40·25″. The survey was completed between the years 1913 and 1924.

In 1931 the legislatures of Alberta and British Columbia passed acts consenting to the confirmation of the boundary as surveyed and marked on the ground under the supervision of the commissioners, from the international boundary to the point mentioned. The government of Canada by 22-23 George V, chapter 5, an act entitled, "The Alberta-British Columbia Boundary Act, 1932", declared the line so surveyed, marked and laid down in the manner referred to in the preamble to the act and to the extent thereof to be the boundary line between the provinces of Alberta and British Columbia whether the same increased, diminished or otherwise altered the territory of either province.

In 1949 the members of the boundary commission representing the provinces of Alberta and British Columbia, on behalf of their respective provinces, communicated with the surveyor general for Canada saying that the survey of the remainder of the Alberta-British Columbia boundary was urgently required, and suggested that the federal government participate in the survey. Having taken part in the first lap of the survey, and the survey being also required as control in the preparation of maps of the national topographic series, the federal government decided to again take part in the survey of that boundary. Federal and provincial orders in council were made and approved for the creation of a commission to delimit the boundary between the two provinces from a point on the 120th meridian about north latitude 57° 26′ 40.25″ to the terminus on the 60th parallel of north latitude as determined by the boundary commission.

That last part of the boundary is now completely surveyed and marked on the ground by monuments of a permanent nature, and the two provinces have expressed the wish that the boundary line so surveyed and marked on the ground be accepted and confirmed as the true and unalterable boundary between the provinces of Alberta and British Columbia. To that effect, the legislatures of British Columbia and Alberta each introduced and passed a bill whereby they now consent that the parliament of Canada do declare

the line so surveyed, monumented and shown in the manner referred to in the preamble of the bill and to the extent thereof to be the boundary between the provinces of Alberta and British Columbia whether or not the same increases, diminishes or otherwise alters the territory of their respective provinces.

The purpose of this bill is therefore, in compliance with the requests of the two provinces and in accordance with the provisions of section 3 of the British North America Act, 1871, to confirm the boundary between the provinces of Alberta and British Columbia.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1—*Short title.*

Mr. Green: The minister has indicated that the boundary between Alberta and British Columbia has now been completely marked. Can he tell the committee what the position is with regard to the boundary between British Columbia and the Yukon? It has been my understanding that that particular boundary has never been clearly marked. I should like to know whether or not that is the situation.

Mr. Prudham: I understand the work is continuing but has not yet been completed.

Mr. Green: Has there been any work done in the way of marking out the boundary between British Columbia and the Yukon?

Mr. Prudham: Yes, parties have been working there in the last year.

Mr. Green: It just started last year?

Mr. Prudham: No; they were working during the last year. I am not just sure what year it started. They are still working.

Mr. Green: When is it expected that the work will be completed?

Mr. Prudham: I am sorry, but I cannot tell the hon. member that. I will tell him that on my estimates.

Mr. Green: They are actually marking the boundary between British Columbia and the Yukon?

Mr. Prudham: They have been working on it. I do not know how soon it will be completed. I shall be very pleased to give my hon. friend more specific information when my estimates are before the house.

Mr. Macdonnell: Just as a matter of interest, how is a boundary marked?

[Mr. Prudham.]

Mr. Prudham: The boundary is marked at intervals of slightly over a mile by permanent markers of concrete or stone, or some other permanent marker.

Mr. Green: It is marked in that way along the Rocky mountain range, is it?

Mr. Prudham: Yes, it is. The intervals between the monuments may vary in mountainous country, but it is clearly marked at intervals of a mile or slightly more than a mile.

Clause agreed to.

Clauses 2 and 3 agreed to.

Preamble agreed to.

Bill reported.

Mr. Prudham moved the third reading of the bill.

An hon. Member: By leave.

Motion agreed to and bill read the third time and passed.

DEFENCE PRODUCTION ACT

AMENDMENTS RESPECTING SALARY OF MINISTER AND EXPIRY OF ACT

Right Hon. C. D. Howe (for the Prime Minister) moved the second reading of Bill No. 256, to amend the Defence Production Act.

He said: Mr. Speaker, this is a simple bill containing only two sections. The first section provides that the salary of the minister shall be $15,000 per annum. At the present time the salary of the minister is $10,000 per annum, but unfortunately the present minister does not draw that salary; for the moment the salary is not paid. However, occasion might demand at any time that a separate minister of defence production be appointed, and in that case I think every hon. member would wish him to receive the usual salary of $15,000 per annum. Through an error this ministry was not included in the salaries bill, and it is now proposed to correct that error.

The second section provides that the act, which would normally expire on July 31, 1956, will not expire and that the section providing for its expiry shall be repealed. As I explained when the resolution was under discussion, the reason for that is that the work of the department is a continuing work. Perhaps at earlier stages in the life of the department the work has not been as complicated and as difficult as it is at the moment. The department has under construction the mid-Canada early warning line, a large and important and difficult project located halfway between here and the Arctic

ocean. It also has under development a supersonic fighter plane involving a new supersonic engine and a new airframe. In addition it has all the supply problems incidental to maintaining troops in Germany and in Canada, and responsibility for keeping the equipment of the army, navy and air force up to the required standards.

Earlier discussion indicated that there is no particular objection to extending the life of the department. The necessity for extending its life is that it is impossible to hold the class of men we have in the department on the basis of temporary jobs. People who see that their jobs are going to expire in one year start looking for other jobs, and quite properly so. We know now that the services of these men and women will be required for a number of years, and we believe they are entitled to the security extended to service in permanent departments of government. Therefore it is proposed to make this department a permanent department.

The department has been permanent in effect since it was formed in 1939. After the department of munitions and supply was liquidated in 1948 its work was carried on as a branch of the Department of Trade and Commerce without a departmental act. It was found most difficult to carry on in that way, and we were glad indeed to have reason for forming the Department of Defence Production and asking parliament to enact a proper Defence Production Act.

Since 1939 the Department of Defence Production has spent probably $17 or $18 billion, yet it has been free from dishonesty, maladministration and the difficulties that frequently beset defence purchasing. I can tell hon. members from experience that defence purchasing is the most difficult type of purchasing to be undertaken by any government department.

The munitions and supply act was enacted in 1939, and was amended from time to time as the experience of the department indicated was necessary. The present act was based on the final edition of the munitions and supply act, and has proved to be comprehensive enough to cover all the situations we encounter in defence purchasing. It was drafted with that purpose in view and was based on the experience of several years of defence purchasing in wartime. We believe it is a model act.

I may tell hon. members that practically every country has the equivalent of our Defence Production Act. I am familiar with the acts in vogue in the United States and the United Kingdom, and I can say that the powers taken under our act are considerably more modest than those granted by either of the two acts I have mentioned.

There seems to be no objection to extending the life of the department; that appears to all hon. members as reasonable, but there was objection raised to extending the life of the Defence Production Act. During debate on the resolution I undertook to examine the situation with a view to amending the bill to take cognizance of some of the objections raised earlier. The matter has been gone into most thoroughly with the Department of Justice, with the Prime Minister and with the officials of my department, and for reasons which I shall state I cannot say at this time that we are prepared to amend the Defence Production Act in any manner whatsoever.

I note it is nearly five o'clock, Mr. Speaker, and perhaps before going into why we cannot offer amendments at this time you would call it five o'clock.

Mr. Speaker: It being five o'clock the house will proceed to the consideration of private and public bills.

PRIVATE BILLS

TRANS-PRAIRIE PIPELINES, LTD.

The house in committee on Bill No. 376, to authorize Trans-Prairie Pipelines, Ltd., to construct, own and operate an extra-provincial pipeline—Mr. Weaver—Mr. Robinson (Simcoe East) in the chair.

On clause 1:

Mr. Nicholson: Mr. Chairman, we do not seem to have this bill in its amended form. I wonder whether the sponsor could indicate whether the bill that is now before the committee is in the same form as the other similar bills that went through the house.

Mr. Weaver: If the hon. member will look up *Votes and Proceedings* of Wednesday, June 1, he will find all the amendments set out.

The Chairman: Shall clause 1 carry?

Mr. Green: Are you referring now to clause 1 as it was rewritten in the committee?

The Chairman: Perhaps I should call the clauses in this manner: Clause 1 as amended in committee. Would that be agreeable to hon. members of this committee?

Some hon. Members: Agreed.

Clauses 1 and 2 as amended agreed to.

Clauses 3 to 11 inclusive agreed to.

Preamble as amended agreed to.

The Chairman: I understand that the title will be amended on third reading. Shall the title carry?

Title agreed to.

Bill reported.

Mr. Speaker: When shall this bill be read the third time? Now?

Some hon. Members: Now.

Mr. Weaver moved the third reading of the bill.

Mr. Green: Mr. Speaker, I understood there was to be a motion to amend the title.

Mr. Speaker: I understand that the amendment to the title is to be made in the last motion, which is to be that the bill do now pass and the title be as amended. That is the next motion. Shall the third reading be agreed upon?

Mr. Howard C. Green (Vancouver-Quadra): Perhaps it should be pointed out on third reading, Mr. Speaker, that when this bill originally came before the house it contained only two sections and was in effect a bill to authorize a Manitoba company to go into the operation of pipe lines. Objections were taken to the form of the bill on second reading. Then in the standing committee on railways, canals and telegraph lines it was changed from a bill which authorized a Manitoba company to construct a pipe line into a charter for a new company, that charter being much in the same terms as those of the other pipeline charters which passed through the house.

I think it was because those quite extensive changes were made that it is now necessary to change the title in order to describe the bill as a bill to incorporate a pipe-line company, whereas previously it was merely a bill to give, to a company which had already been incorporated under the Manitoba law, the power to construct a pipe line.

Mr. Speaker: Is the motion agreed to?

Some hon. Members: Agreed.

Motion agreed to and bill read the third time.

Mr. Weaver moved that the bill do now pass and that the title be "an act to incorporate Trans-Prairie Pipelines of Canada, Ltd."

Motion agreed to.

DIVORCE BILLS

Mr. Speaker: There are several divorce bills on the order paper. I understand that it is the wish of some hon. members that Bill No. 447 be allowed to stand.

Mr. Nicholson: Bill No. 427, Mr. Speaker.

[The Chairman.]

Mr. Speaker: Then Bill No. 427 will stand. Shall all the other bills be taken in the one motion?

Some hon. Members: Agreed.

Mr. Speaker: Shall these Bills Nos. 419 to 426 and Nos. 428 to 448 inclusive, being divorce bills, be now read the second time?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Bill No. 419, for the relief of Marie Therese Jeannette Mainville Froment.—Mr. Hunter.

Bill No. 420, for the relief of Goldie Moscovitch Katz.—Mr. Hunter.

Bill No. 421, for the relief of Yvette Cayer Lefebvre.—Mr. Hunter.

Bill No. 422, for the relief of Regina Wiener Strelezky Distelman.—Mr. Hunter.

Bill No. 423, for the relief of Marie-Louise Ashby Tremblay.—Mr. Hunter.

Bill No. 424, for the relief of Lorna Greenberg Buium.—Mr. Hunter.

Bill No. 425, for the relief of Myrtle Ada Lewin Derbridge.—Mr. Hunter.

Bill No. 426, for the relief of Georges Etienne Barry.—Mr. Hunter.

Bill No. 428, for the relief of Eileen Bayliss Roberts.—Mr. Hunter.

Bill No. 429, for the relief of Ernest Augustus Lepage.—Mr. Hunter.

Bill No. 430, for the relief of Rosaire Jacques Rene Tetrault.—Mr. Hunter.

Bill No. 431, for the relief of Phyllis Lucy Stiles Beal.—Mr. Hunter.

Bill No. 432, for the relief of Margaret Durning Mullins.—Mr. Hunter.

Bill No. 433, for the relief of Mary Elizabeth Lorraine Callard Ramsay.—Mr. Hunter.

Bill No. 434, for the relief of Ann Mary Allward Spighi.—Mr. Hunter.

Bill No. 435, for the relief of Anne Rynski Vincent.—Mr. Hunter.

Bill No. 436, for the relief of Dora Helen Simmons Glancy.—Mr. Hunter.

Bill No. 437, for the relief of Joseph Louis Armand Carrier.—Mr. Hunter.

Bill No. 438, for the relief of Marie Merilda Longval Roy.—Mr. Hunter.

Bill No. 439, for the relief of Charles Edouard Thibodeau.—Mr. Hunter.

Bill No. 440, for the relief of Rose Bowman Fox.—Mr. Hunter.

Bill No. 441, for the relief of Marguerite Gladys Letitia Mathers Grimsdale.—Mr. Hunter.

Bill No. 442, for the relief of Jennie Switzman Rashcovsky.—Mr. Hunter.

Bill No. 443, for the relief of Charles Ryerson Stewart.—Mr. Hunter.

Bill No. 444, for the relief of Hilda Emmalin Christensen Taylor.—Mr. Hunter.

Bill No. 445, for the relief of Glendon Joseph Lynes.—Mr. Hunter.

Bill No. 446, for the relief of Kenneth Rae Story.—Mr. Hunter.

Bill No. 447, for the relief of Joseph Marcel Plourde.—Mr. Hunter.

Bill No. 448, for the relief of Mayo Arthur Perrin Harrigan.—Mr. Hunter.

SENATE AND HOUSE OF COMMONS ACT

AMENDMENT RESPECTING ELIGIBILITY OF CABINET MINISTERS

The house resumed, from Tuesday, May 24, consideration of the motion of Mr. Knowles for the second reading of Bill No. 379, to amend the Senate and House of Commons Act.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, the house will recall that in the short time I had available on the previous occasion when we discussed this bill, I pointed out that there were certain obvious inequalities—perhaps I could use that word—in the proposals that had been put before the house by the hon. member for Winnipeg North Centre (Mr. Knowles).

I realize that the explanation he gave was an understandable one, namely that he thought the bill would be more acceptable in its present form than in some other form, though he probably would be prepared to say that the principle he was trying to have established by parliament was that a cabinet minister should not hold a directorship in a company during the time he was a member of the cabinet. For the reason one has not far to seek, of course. It is that there may be occasions when, at least in theory, a minister might be obliged to devote some time to the duties of a director, and that possibly the obligation of a cabinet minister is to devote his full time to being a minister of the crown.

This has not always been the case in Canada. I think everyone recognizes the fact that in late years it is true that the work of a cabinet minister has been taking more of one's time than it formerly did. I do not suppose it was very long ago that many ministers found it possible to discharge their obligations to the crown and their service to parliament in part of the time during the week, and could in fact engage in other personal occupations for part of the time. But in recent years, with parliament sitting from five to six months a year, with the greatly increased number of bills that come before parliament and the greatly expanded services that are being given to the public through the administration, a minister in many cases is rather wishful that the day had more than 24 hours, and there is not too much time to devote to personal affairs. Nevertheless, sir, until this debate arose I do not think the point was ever made that there should not be any time left for a minister to devote to other affairs to which he felt he owed an obligation, without for the moment examining whether such obligations may be such as to have a commanding demand on his time.

In the course of his introductory remarks the hon. member for Winnipeg North Centre referred, as I recall it, to two countries outside Canada as examples, and I wish to deal briefly with his one reference to the United States and his one reference to the United Kingdom. In the case of the United States, as I understood him he had reference to the swearing in of cabinet ministers by the newly constituted Republican administration some three years ago. The house will recall that one of the cabinet ministers chosen by the President was obliged to divest himself of certain holdings in a corporation before he was acceptable to that particular committee of congress which passes on the acceptability of cabinet ministers.

That case is entirely different from that which is supposed to be placed before us in this bill. The objection taken at the time to the cabinet minister was not that he was a director of a corporation. The objection taken was that his holdings in a particular corporation were very substantial and that the corporation not only had many contracts with the government but in some cases exclusive contracts, especially in connection with the production of war materials and the like. It was not the case that he would have to devote some time to merely being a director, nor was there any suggestion that the trusteeship which he undertook as a cabinet minister could not be carried out properly under the circumstances, but merely that he himself was financially greatly interested in the company concerned, and that that was not a matter which ought to be passed over lightly by the committee investigating his qualifications.

May I point out what every member of the house of course knows, that the system in the United States is wholly different from that which obtains here. There the president is responsible to congress, it is true, in the sense that certain choices of personnel have to be approved by committees of congress in

some cases, but he accepts full responsibility and indeed has visited on him the onus of full responsibility for the administration of the government of the United States.

That is not the situation here, sir. We as a cabinet are responsible both to one another and to the prime minister, and the cabinet as such is responsible to parliament in a wholly different manner from that which obtains south of the border. In any event, I stress the fact that to cite the instance of Mr. Wilson as an example of what has been done elsewhere which should be followed in Canada is merely to gloss over the great difference in the constitutional effect in both countries.

My hon. friend also mentioned, but only in one sentence, the practice in the United Kingdom. I was rather expecting him to give us some information about it, but perhaps because he felt his time was limited he did not pursue it further. He left with us the impression that the practice in the United Kingdom was such that if it were followed here we would in fact adopt the amendment to the Senate and House of Commons Act that he is proposing. I intend to make some reference to the practice in the United Kingdom, and to point out that it seems to me illogical to suggest amendment of the Senate and House of Commons Act as a way of carrying out what he apparently has in mind.

In the United Kingdom, as I think we are all aware, directorships are matters of emolument, and certainly in the past at any rate have been lucrative to those holding them. In Canada perhaps that is also true in some cases, but certainly not on the scale that has obtained in the past at least in the United Kingdom. I should also point out that in the United Kingdom they have a unitary state, and we would not have the situation I have already mentioned with respect to provincially incorporated companies or federally incorporated companies. For that reason, sir, it might be supposed that in the United Kingdom they would have already taken the step that has been recommended to us by the hon. member for Winnipeg North Centre. In other words, where no distinction could be made one would have thought that if they felt there should be a statute they could have passed one, because anyone serving in the cabinet there could only hold a directorship in a United Kingdom corporation or a foreign corporation, and it would have been easy to lay down the rules in that way.

The fact that they have not done so has led me to suppose there may be some merit in not setting up a statutory bar to anyone serving as a cabinet minister and retaining or carrying on some other activity outside that of government. But I propose to examine in detail the practice in the United Kingdom, because it seems to me that in one sense it commends itself to us as a standard of practice. On the other hand, it definitely does lay down the rules which in effect obtain in this country in one form or another.

If I may have the permission of the house I should like to read from *Hansard* of the United Kingdom the rules that obtain there, for the purpose of placing them on the record and examining them to see if they are applicable to Canadian conditions. They will be found in *Hansard* of the 25th of February, 1952, at pages 701 and 702. A statement was made by the then prime minister in answer to a question which apparently had been put to the ministry some time before. The question was:

> What regulations govern the continuation of salaried service with a private company on appointment to ministerial office?

Perhaps hon. members would bear in mind that this happened just a few months after the government had changed in the fall of 1951, I think. The regulations are rather lengthy and I will have to crave the indulgence of the house for the purpose of examining them. I propose to read the record and then make some comments. The Prime Minister answered by asking leave to circulate a copy in the official report, which I take it is equivalent to asking that the document be incorporated in *Hansard* and not read. There are, as a matter of fact, eight rules. I shall read them from beginning to end and then, as I say, I should like to have the privilege of going back to discuss them. They are:

> 1. It is a principle of public life that ministers must so order their affairs that no conflict arises, or appears to arise, between their private interests and their public duties.
>
> 2. Such a conflict may arise if a minister takes an active part in any undertaking which may have contractual or other relations with a government department, more particularly with his own department. It may arise, not only if the minister has a financial interest in such an undertaking, but also if he is actively associated with any body, even of a philanthropic character, which might have negotiations or other dealings with the government or be involved in disputes with it. Furthermore, ministers should be free to give full attention to their official duties, and they should not engage in other activities which might be thought to distract their attention from those duties.
>
> 3. Each minister must decide for himself how these principles apply to him. Over much of the field, as is shown below, there are established precedents; but in any case of doubt the prime minister of the day must be the final judge, and ministers should submit any such case to him for his direction.
>
> 4. Where it is proper for a minister to retain any private interests, it is the rule that he should

declare that interest to his colleagues if they have to discuss public business in any way affecting it, and that he should entirely detach himself from the consideration of that business.

5. Ministers include all members of the government except unpaid assistant government whips.

6. Ministers must on assuming office resign any directorships which they may hold, whether in public or in private companies and whether the directorship carries remuneration or is honorary. The only exception to this rule is that directorships in private companies established for the maintenance of private family estates, and only incidentally concerned in trading, may be retained subject to this reservation—that if at any time the minister feels that conflict is likely to arise between this private interest and his public duty, he should even in those cases divest himself of his directorship. Directorships or offices held in connection with philanthropic undertakings should also be resigned if there is any risk of conflict arising between the interests of the undertakings and the government.

7. Ministers cannot be expected, on assuming office, to dispose of all their investments. But if a minister holds a controlling interest in any company considerations arise which are not unlike those governing the holding of directorships and, if there is any danger of a conflict of interest, the right course is for the minister to divest himself of his controlling interest in the company. There may also be exceptional cases where, even though no controlling interest is involved, the actual holdings of particular shares in concerns closely associated with a minister's own department may create the danger of a conflict of interest. Where a minister considers this to be the case, he should divest himself of the holding.

8. Ministers should scrupulously avoid speculative investments in securities about which they have, or may be thought to have, earlier or confidential information likely to affect the price of those securities.

I notice that there was no debate on that answer, and presumably it was accepted by the house as a general statement that would be applied by the then prime minister in any future change in connection with his ministry. Presumably also he had applied those rules in the formation of the ministry which had occurred perhaps three or four months before that.

So far as I have been able to ascertain, sir, those are the only published rules of any kind with respect to the problem with which we are now dealing. There may be others in other jurisdictions, and perhaps hon. members will be able to correct me, but so far as I have been able to determine there are no other rules. However, as I may have implied a few moments ago, there are certain practices in the United States, and I have no doubt there may be some obscure statutes there that are the authority whereby the respective congressional committees consider the qualifications of the various candidates who are recommended for appointment by the president.

I should like to point out to the house that these are the rules which Mr. Churchill laid down, and which presumably he applied, and in the course of which he made the frank statement that with respect to certain matters therein it was for the minister himself to decide whether or not he was affected by these particular rules. He also went on to say that in the final result it would be for the prime minister to make the decision as to whether or not the minister should divest himself of these particular interests.

On the matter of interests, sir, may I repeat what the hon. member said to me in the few minutes I had two weeks ago, that he was not making any suggestion that in the particular case he had in mind and to which he referred there was any conflict of interest; that there was any financial advantage, or indeed that there was anything more than this proposal which had always been in his mind. Perhaps it could be said that certain present circumstances would only add to the strength of his argument. He did not, however, assert anything which in my view would contravene the spirit of these rules. In other words he did not make an argument for the amendment he was proposing which would be borne out by conduct which the Prime Minister of the United Kingdom was suggesting was improper under the circumstances.

I therefore repeat, Mr. Speaker, that it would seem to me that until recent years at least there has been no settled practice in commonwealth countries—perhaps in others for all I know—of a growing restriction on the activities of cabinet ministers outside the administration of their departments and in common with their colleagues in the administration of the government. If there is or has been a tendency to restrict those activities, it has grown up just in recent years, probably for the reason I have given, that it would seem there was not enough time in a day to devote to anything else but the affairs of the public.

I realize that some of the rules I have just read are more or less a repetition of rules which had been stated by a former prime minister of the United Kingdom many years ago in connection with another incident. Presumably in the 40-odd years that have elapsed these rules have been observed by succeeding prime ministers, and for some time at least these rules have been merely a reflection of a long-standing practice there. However, I think it is fair to say that I do not recall, nor can I find very much record in the United Kingdom of anyone suggesting prior to this, that a person should not be a cabinet minister if he was the director of a corporation, and this probably breaks new ground in that respect. I repeat that perhaps other researchers may find an earlier record of it.

For these reasons, therefore, I suggest that the bill before us, even if it were considered to be progressive, is at least no more than timely. It is perhaps even a little before its time. Evidently public opinion in the commonwealth countries, and perhaps in others, has not up until very recently at any rate approached this problem with any particular concern about whether cabinet ministers should or should not be directors of companies. I grant you, sir, that I have not found it possible to search all the statutes of other commonwealth countries and, as I say, there may be exceptions that I have not been able to find.

To go back over the rules, therefore, may I point out that the standard of conduct expected of cabinet ministers seems to include, first of all of course—and so obviously is it the case that it was left to the end to state it—that they should not engage in speculative investments in securities about which they have or might be thought to have confidential or early information.

That is, as I have intimated, a throwback to an incident in the United Kingdom of 40-odd years ago; and I do not recall any such incident in Canadian public life, though there may have been one. In fact, my recollection is that even prime ministers in this country have held directorships in companies, though not in recent years. We have gradually approached this problem as one which rests on public opinion, because the prime minister of the day is obliged to make his choice of cabinet ministers acceptable to the public, and acceptable of course to parliament as well, though not in the sense that the president of the United States must choose cabinet ministers who are acceptable to congress. I fear many of us would not be on the front benches if we had to submit our qualifications to opposition members.

Let us therefore consider these rules, though not in detail, because I do not propose to take them in detail. However, they divide themselves into three general groups. First there is the matter of private interest. And with respect to that, as I have said I do not find any evidence of any suggestion that private interest is conflicting in any way with public duty. I do not wish to widen the subject of the discussion, but my understanding is that hardly anyone would expect a cabinet minister so to remove himself from the trade and commerce of the country that he would not be able to resume his occupation or his livelihood should he cease to be a cabinet minister. All that need be said on that point is that his private interest should not conflict with his public duties. We are in complete agreement with that, of course.

The next rule has to do with the holding of directorships. Once again we find that in this particular case there is an exception with respect to private companies for the maintenance of family estates and only incidentally concerned in trading. From the wording it must be clear that the Prime Minister had in mind trading as such, that is, companies doing business by way of contracts with the government and so on. We had again here the inference of private profit, or the conflict of private interest with public duty.

In this case I pause only long enough to say that the sponsor of this bill is not suggesting that we are discussing that point at the moment.

Mr. Knowles: Is it not correct that the Prime Minister of the United Kingdom, before he stated the exception, laid down a general rule against cabinet ministers holding directorships?

Mr. Harris: What he said was this:

> Ministers must, on assuming office, resign any directorships which they may hold, whether in public or in private companies, and whether the directorship carries remuneration or is honorary.

Then he went on with the exception. The exception is the one I have indicated, that he was not to be concerned in trading as such—a company dealing with the government by way of contract, and for profit. For a moment, if my hon. friend wishes, I shall comment on the general statement rather than the exception. The general statement was that a minister must resign certain directorships upon assuming office. My hon. friend made the point, however, in the course of his argument, that we are discussing generally the course to be adopted in Canada.

A full explanation has been made of the practice heretofore obtaining in Canada, namely that a total disclosure has been made, at least in recent years, to the prime minister of the day, as to the holding of certain offices in corporations. The prime minister, having been made aware of this, concluded that this was a matter which rested with the minister concerned. I am now referring to the occasion the Prime Minister referred to when he accepted office in 1941. That having been the practice heretofore, it might therefore appear that the proposal of the hon. member would be one that would apply in the future to any newly sworn-in ministers of the crown.

I take it that in this particular case Mr. Churchill was saying that. I do not know

that he did in fact take into his ministry prior to that date anyone who at that date had been a director of a corporation. I have not made inquiries; but it would seem that on this particular date he proposed that hereafter any minister he asked to serve with him would be expected to resign his directorships. I have no way of knowing whether in fact that has been done from that date to this, but I suppose it has. I address myself to the fact that it would seem that the plain statement in the preliminary sentence was qualified by the remainder of the section I have read.

Now, with respect to shareholdings, I do not need to go into that because the hon. member does not cover it in his bill. However, I have read the whole of it so there will not be any suggestion that we confine ourselves for the moment solely to the purpose of the amendment before the house. Because I think the problem is much greater than just the immediate question of whether the Senate and House of Commons Act should be amended so that from the date the amendment was passed by the house those of us sitting here who happened to be directors would have to divest ourselves of those directorships, and that thereafter the prime minister would be put in the position that in offering a post to one who appeared to him likely to serve the public well in that post he should always make sure, before he was sworn in, that he had resigned any directorship or other office he might hold in private life.

That brings me, therefore, to the problem which confronts us in determining what should be done with regard to the bill before the house. The bill does propose, as I said the other day, that there would be certain exceptions to the rule that would be established with respect to cabinet ministers. A minister could not perform the duties of his office if he were a director of a corporation incorporated by federal statute or by letters patent issued by the crown. That would leave it, sir, that other ministers might serve and at the same time hold directorships in provincially incorporated companies.

I know the hon. member hastened to say that if I would move an amendment to the bill he would be glad to adopt the suggestion that cabinet ministers should not hold any of these offices; but I think it points up the peculiar position we have in this country, namely that we are not a unitary state and that possibly our ministers should not be subject to rules which were laid down in another jurisdiction which happens to be a unitary state. Nor should it be supposed, sir, that our position is precisely that of the United States, where they have other practices and other constitutional obligations.

For this reason it seems to me that we ought to examine the problem a little more than the mere discussion of it as the principle of this bill would allow; and that we should not as a parliament impose a bar against a future prime minister without very carefully considering what the difficulties might be, in so far as we can see them, which might be attached to the formation of a ministry at some time in the future.

It seems therefore, sir, that it would be better—and I place this before the hon. member knowing that he holds strong views on it—to say that this is not just a simple bill of six or seven lines that could be passed in this house in the course of the next two or three weeks or even a month. There are matters that ought to be considered at greater length than it is possible for us to do at the present time. We might do one of two things, sir. We might withdraw the bill for the moment on the assumption, and indeed on the assurance, that it will be given full consideration in the interval between now and the next session of parliament; or alternatively, we might consider it in this house in a committee.

I realize that what I have said might indicate that I would personally agree, after consideration, to an amendment to the statute. I hope that is not taken from what I have said, because as at present advised it seems to me unwise to have a statutory bar. Nevertheless it is not unwise, in my view, to consider rules that might be stated in much the same manner that Mr. Churchill stated rules in the United Kingdom for his guidance in the formation of a ministry. Let us however admit that if these rules were stated in the manner that Mr. Churchill laid down, they would not be binding on any subsequent prime minister, who would accept responsibility to parliament and to the country for any deviation that he might feel in honour bound to make from those rules. Perhaps that is what the hon. member has in mind.

There has been a quite steady approach to this problem, with a definite withdrawal of cabinet ministers over the years from private activity, and in time no doubt the number who will take part in other private affairs will be very small, as in fact it is at the moment. Nevertheless, even then the hon. member might feel that there ought to be a statutory provision with respect to the holding of these various offices.

I think I have made it clear—I hope I have—that I am not convinced there ought to be such a statutory bar, nor am I to be

taken as saying that we ought to go back to the old days when many ministers did in fact hold directorships in companies, or that they should be allowed by practice and indulgence to devote considerable time to their private affairs. A parliamentary session today is lengthy. The preparation for it is onerous, and the discharge of administrative duties, even when parliament is not sitting, certainly takes a great deal of the minister's time. I firmly believe also that if a minister is not sitting in parliament or discharging the duties of his office or preparing for the next session of parliament, it is his obligation to defend the administration of which he is a member in public, and to see the public as often as he can so he may be aware of public sentiment on any given point and be prepared for it at the coming session of parliament. That does take a very great deal of one's time; but that is not to say that the holding of directorships in itself is wrong or improper. Indeed, no one has suggested that so far in speaking on this particular bill.

If my hon. friend does not feel that he can let this matter stand for the time being I propose to move:

> That this bill be not now read a second time, but that the subject matter thereof be referred to the standing committee on privileges and elections.

You might ask me, Mr. Chairman, why privileges and elections? There is no particular privilege of a member of parliament involved here; but as I think hon. members know we have always—at least I personally have always—taken the view that the standing committees of the house can be most useful, and that names themselves do not mean very much. If we could refer more matters to committees than we have been doing in the past we would have better legislation and indeed better consideration of the subjects we choose to bring before this house. It seems to me that these rules—and, as I have said, the statutes of the United States congress and any rules or obligations that may be imposed in other jurisdictions—are matters which could be given serious consideration by the committee.

While I do not suppose they would feel that they could improve on some of these, representations ought to be made before the committee with respect to any variation there might be under Canadian conditions which would make these rules, if not inapplicable, at least inappropriate for our people here.

I was rather interested, sir, to find that in fact this seemed to be the only declaration made by a commonwealth prime minister since that which had been made by Mr. Asquith on another occasion before the first world war. If there has been any other declaration of principles as a whole rather than merely an explanation of a detached incident it would be desirable to have it to guide this parliament in determining its course in the circumstances. Whether the committee could in fact recommend to parliament rules which could be incorporated in the Senate and House of Commons Act is a matter of opinion.

As I said a moment ago, I am not yet convinced that there ought to be a statutory provision for this; and if I were convinced I think it would be with the conviction that we could only have a short statement, perhaps of a minimal nature, which would permit a future prime minister to have as much leeway as possible in the formation of his ministry.

Mr. Drew: I dislike interrupting the minister at this point, but since he has made certain statements that I would not wish to leave without comment I draw your attention to the time, Mr. Speaker, and suggest that it would be appropriate for the minister to conclude his remarks.

Mr. Sinclair: The minister is making the main speech in answer to the remarks of the mover of the bill; therefore he can take as much time as he wishes. The hon. member should know the rules.

Mr. Speaker: I understand the Leader of the Opposition is allowing the minister to conclude, and I presume he will proceed to do so.

Mr. Harris: If I have broken any rule of the house with respect to time limit it is the first time I have done so since I have been here. I do not propose to do that. I was interested in what the Leader of the Opposition said, and I am most anxious to have no misunderstanding with him about this. If I have made a statement which to his knowledge is incorrect, as I have indicated on more than one occasion when I have qualified what I have been saying to show that I was not certain that my remarks had covered the whole ground, I would be glad if he would correct me so that I may—

Mr. Drew: I am pointing out that the minister has spoken for over 40 minutes and that was the reason I said it would be appropriate that there should be some opportunity before this discussion terminates, which will be in seven minutes, to comment on certain of his observations that it seems to me should not be left on the record without comment.

Mr. Harris: I appreciate what the Leader of the Opposition has said. I rather thought from his prior remarks that he was intimating

I had made a statement of fact with which he did not agree. Now that he has said I have made observations on which he would like to comment, of course I would not want to delay him. I would correct immediately any error in fact that I may have made.

I take it that the hon. member is not prepared to allow further discussion to stand until another session of parliament. I have moved the amendment which is now before the house. I suggest to the hon. member and to the house that this would be the appropriate way of disposing of the whole problem of the holding of directorships and the like, and also of considering the principle of whether there ought to be a statutory bar, or whether we should not leave the matter as it has now been stated by the Prime Minister, who said that he felt that the matter rested with the minister. It could be considered also whether it would be desirable that the Prime Minister lay down certain rules and make it known publicly that they would be applicable to his ministry, though not necessarily to any other ministry.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I rose to draw Your Honour's attention to the fact that the time limit had elapsed for the reason that I felt some comment should be made on the observations which have been placed before you by the Minister of Finance (Mr. Harris). I think the minister has been splitting hairs throughout the whole of the speech he has made.

There is no need to refer this matter to the standing committee. The rules are there. The minister read a statement made at Westminster in 1952 by Mr. Churchill, I assume with approval. I think hon. members will find that the statement made by Mr. Churchill on that occasion, in which he laid down eight rules, was a summing up of the practices which had been established over a long time.

I say at the outset that I would not have supported the bill before us, for the simple reason that I do not believe this is something that can be reduced to a statutory obligation. I believe this is something that must be established by the Prime Minister. There is a vast difference between the government in Canada and the government in the United States. The Minister of Finance has indicated that there is a greater degree of obligation upon a minister in the United States to divest himself of any possible conflict of interests. I submit that the very contrary is the case. In the United States we do not have a government which has by tradition established the degree of solidarity that there is in Canada, nor is that government answerable day by day to the house. The situation here is quite different. Our tradition is parallel to the tradition in the United Kingdom, as has been clearly indicated by the minister himself.

There is a long tradition in relation to this matter, and it goes back much earlier than the minister mentioned. As an example, in 1906 Sir Henry Campbell-Bannerman laid down a rule for the conduct of ministers, and I should like to quote just one statement. Sir Henry Campbell-Bannerman said that all directorships held by ministers must be resigned except in the case of honorary directorships in connection with philanthropic undertakings and directorships in private companies. On a later occasion the prime minister of Great Britain explained that he was making that exception because there were a number of family directorships and private operations that would not possibly involve any conflict of interests.

The case to which the minister obviously was referring was known as the Marconi scandal, and in that connection Mr. Asquith laid down certain detailed propositions very similar to those laid down in 1952 by Mr. Churchill.

Mr. McCann: Was it law in either case?

Mr. Drew: What I am pointing out is that at the time the prime minister annnounced the rules they had become part of tradition. What I am saying relates to the statement I have made that I would not support the adoption of a law. The Prime Minister has said that it is a matter for the conscience of the minister, but I submit that it is a matter for the conscience of the Prime Minister.

Under our system the prime minister is called upon by the representative of the queen, or of the king as the case may be, to form a government. The ministers are not chosen by the crown; the prime minister is asked to form a government. The members of that government are answerable to him, and it is his conscience which is the determining factor. In fact the third rule stated by Mr. Churchill in 1952 and read to us by the Minister of Finance established the proposition that while it is the duty of the minister to examine the facts as he knows them, the judge is the Prime Minister. He is the one who must decide whether the course being followed is consistent with our tradition.

I would point out that in 1913, when Mr. Asquith was dealing with the situation which arose out of what was known as the Marconi scandal, be began by making the following observation:

> The first . . . and the most obvious is that ministers ought not to enter into any transaction

whereby their private pecuniary interest might, even conceivably, come into conflict with their public duty . . . Again, no minister is justified under any circumstances in using official information, information that has come to him as a minister, for his own private profit or for that of his friends.

Then Mr. Asquith went on to lay down a number of propositions which bore a very marked degree of similarity to those now before us.

Mr. Harris: I think the Leader of the Opposition will agree that the rules in that particular case were with respect to speculation, not with respect to holding office in companies.

Mr. Drew: The situation arose out of speculation in connection with Marconi shares, but the statement as to the obligation of ministers covered a much wider field than that of speculation. I submit that while the eighth rule laid down by Mr. Churchill in the House of Commons in Britain in 1952 referred to speculation, it was properly placed as being an important rule, but the earlier rules were also important. I should say that the earlier rules were vitally important, and the most important rule of all was that there must be no conflict of interests, that there must be no situation which would permit the possibility of the suggestion of conflict of interests.

That is something for the Prime Minister to lay down. I cannot understand the Minister of Finance saying that it would hardly be satisfactory to establish rules in this way because later prime ministers might not follow the rules that had been established. These rules have been established for some time. They must be established by the Prime Minister, because he accepts the responsibility from the crown. Instead of referring this matter to any committee I submit that the Prime Minister should tell us whether he agrees with the statement that has been read by the Minister of Finance when he quoted the words of Prime Minister Churchill in the British House of Commons in 1952.

I move the adjournment of the debate, Mr. Speaker.

On motion of Mr. Drew the debate was adjourned.

Mr. Speaker: At eight o'clock the house will resume consideration of the business which was interrupted at five o'clock.

At six o'clock the house took recess.

[Mr. Drew.]

AFTER RECESS

The house resumed at eight o'clock.

DEFENCE PRODUCTION ACT

AMENDMENTS RESPECTING SALARY OF MINISTER AND EXPIRY OF ACT

The house resumed consideration of the motion of Mr. Howe, Port Arthur (for Mr. St. Laurent) for the second reading of Bill No. 256, to amend the Defence Production Act.

Mr. Howe (Port Arthur): Mr. Speaker, when the debate was interrupted I had dealt with two sections of the bill and was about to deal with the objections to the Defence Production Act which were raised when the resolution preceding the bill was under discussion. I shall now proceed with the latter question.

I should like to deal first with the statement I made in March, 1951, on the nature of the special powers contained in the Defence Production Act. Reference to the continuing nature of those powers should not be taken out of its context but should be read in conjunction with statements on the situation made at that time. We were confronted with what we then believed to be an extraordinary situation, one we hoped would clear up within the three-year period set for the defence program. Our hopes have not been fulfilled. For the better part of four years we have been living in what was once considered an extraordinary situation, and there is still no indication of when we can expect it to improve to the point where our defence production program can be cut back. The statement I made in 1951 was made in good faith, in the earnest hope that we would now be living in a world in which normal peacetime conditions would prevail. Such is not the case, and it is in the light of present-day circumstances that I am compelled to recommend the continuation of the Defence Production Act in its present form.

At the resolution stage the Leader of the Opposition implied that in asking for the continuation of the Defence Production Act the government is getting away from traditional methods of parliamentary procedure and parliamentary responsibility, and that there is a denial of the supremacy of parliament and the rule of law. I must admit that I am only a layman in this field, but it seems to me that this is not the case. Under our present parliamentary procedures the house has an opportunity to review the responsibilities and functions of each department at least once a year, when the estimates

are being considered. Traditionally this is the way in which legislation can be examined critically, the way in which it can be determined whether or not it meets the needs and conditions of the times.

Furthermore, in setting up a department of defence production, the minister in charge of that department is fully responsible to parliament for the way in which he discharges his responsibilities and for the department's operations. At any time he can be called upon by this house to account for his actions. Surely this is parliamentary procedure and parliamentary responsibility. As for the rule of law, there are numerous references to the right of appeal to the courts against the crown under this act. I would draw the attention of hon. members to section 37 which, while it does not permit court action against an investigator or controller in the performance of his duties, goes on to state that "nothing in this section limits or restricts the rights of any person against the crown."

To sum up the points I have been making, there is nothing in the act that denies the supremacy of parliament, nor is there anything that prevents recourse to a court of law or that contravenes the jurisdiction of the courts.

Before the resolution on the present bill was concurred in on March 14, I gave an undertaking that the government would consider the request made by the hon. members for Vancouver-Quadra (Mr. Green) and Peace River (Mr. Low). This request was to include in the act a clause which would make the powers of the department subject to review within a reasonable period.

This question was referred to the Department of Justice, and officers of that department pointed out that in view of the fact that a review of legislation is a matter which parliament can undertake at any time, an express provision requiring a periodic review of this kind would have no real significance. In order to require a review by parliament and attach to it legal consequences it would be necessary, for example, to provide that the act would expire at a stated time unless reviewed and reapproved or re-enacted before the expiration of that time. This obviously was not the intent indicated by the request put forward by the hon. members.

Suggestions of the Department of Justice to achieve the results desired by the hon. members were along these lines, as in each case they required that certain sections of the act be singled out at this time and designated as clauses which should expire at a given date in the future. Again this is not satisfactory, as it is impossible to separate the powers of the act in this way. I would point out again that this act was drawn up on the basis of experience gained in handling defence production over a period of years, a period that included the unsettled era following world war II as well as the years of actual war. In my opinion these are the powers needed to carry out Canada's defence production program. Either you have a defence production act with these powers, and all these powers, or you have no act at all.

Much has been made of the so-called extraordinary powers in the Defence Production Act. Hon. members have been urged from several parts of the house to read the act carefully. I agree that this should be done, but I wonder whether some of those who have made the plea have followed their own advice and have read all the sections with equal care. There is not the slightest suggestion in the act that personal liberties or freedoms can be menaced or abridged in any way. There is in the act, and I think there should continue to be, authority to interfere with property rights in appropriate cases.

My hon. friends opposite have not seen fit to bring to the attention of the house the safeguards which are also contained in the act. Stirring denunciations have been made of sections 23 and 24, relating to directed contracts and requisitioning of supplies, but no mention has been made of section 25, which clearly provides for compensation to be paid, such compensation to be arrived at by mutual agreement or, in default of such agreement, to be fixed by the exchequer court. In other words this is definitely not confiscation nor anything approaching confiscation. It is in fact no different from the Expropriation Act which has been in force since confederation, and longer if we go back to English law. Under the Expropriation Act the land is first expropriated by the crown and compensation is worked out afterward. As I have already pointed out, this is similar to the procedure under the Defence Production Act.

A good deal has been said about section 32, dealing with offences, but no mention has been made of section 33, dealing with the defence of due diligence which may be made by any person charged with an offence. This clause gives the person who has been charged an opportunity to establish that he exercised all due diligence to comply with the terms of the act but failed because of reasons

beyond his control. In addition, nothing in the act prevents any person who feels himself aggrieved from having recourse to the courts.

Now let me turn for a moment to sections 26, 27, 28 and 29, all of which have been mentioned adversely. I cannot see how it would be possible to have an act dealing with defence procurement and production without section 26, which deals with priorities. Priorities regulations are still in effect today in the United States. With respect to section 27, I do not feel that it is any indictment of this section, which deals with the appointment of a controller, to point out that it has not been used since 1951. What is important is not whether it has been used but whether it is a power which might be necessary, and what the consequences would be if it were deleted. Using this criterion, I feel that this is a necessary part of the whole purpose of the act.

With respect to section 28, dealing with relief from obligations imposed by the act, I would point out two things. First, this is a power exercised not by the minister but by the governor in council. Second, it is intended to help, not to penalize. In other words it is a necessary adjunct to the earlier powers contained in the act, and is designed to protect any business firms which might otherwise get into trouble through entering into a defence contract or complying with an order or regulation. The hon. member for Eglinton (Mr. Fleming) asked if this section had been invoked during the life of this act, and the answer is no.

With regard to section 29, which deals with the appointment of an investigator and which has not been used since this act came into force, I should only like to say that this is a protection on which I believe the country is entitled to insist when the whole security of the state and the lives of its citizens may depend on matters being thoroughly, properly and expeditiously investigated. Furthermore, this section does not confer on the investigator any powers over and above those contained in the Inquiries Act, nor are the powers of entry and seizure any greater than those of the Income Tax Act. I am sure hon. members will agree that neither of these acts is as vital to the safety of the nation as is the act under consideration.

In the debate on the resolution I was asked the number of prosecutions under section 32, and the date of the last one. There have been nine different cases since the act came into force. The date of the last conviction was May 30, 1953.

I would ask hon. members to consider carefully what it is we are discussing today.

[Mr. Howe (Port Arthur).]

No one likes the idea of large armed services, large expenditures for what are essentially unproductive and destructive purposes, and life in a world threatened by war waged with weapons of almost unbelievable powers of destruction. Nevertheless such are the facts of life. In addition, we do not now enjoy the leisure and time granted to earlier generations in dealing with threats to peace. When we act we have to act quickly. I do not know how the impression has been gained that all is now well, and that our difficulties are behind us. Certainly we have found no such happy interlude in defence production matters. We are faced with difficult and challenging duties which we hope to discharge conscientiously and expeditiously. These duties relate to the safety and security of each one of us, and I should not like to accept the responsibility for recommending that the means by which these tasks are carried out should now be made less efficient.

In conclusion I may say that I think I can claim to have more experience in defence purchasing than any other man now living. At least I am the only man doing defence purchasing today who did the same job throughout the last great war. I have tried to carry out defence purchasing under the munitions and supply act, then without an act, and now under the Defence Production Act. I say to this house that it is my conviction that to carry out an efficient job of defence procurement the department must be armed with an act giving the powers necessary to do the job.

I have had a great deal of experience in buying for governments. I started some 40 years ago as a consulting engineer, and I have been doing some buying for governments ever since. I can tell this house that generally speaking a government order does not receive the same attention as a privately placed order. The reason is that generally speaking the government cannot put on as much pressure as does the private buyer. That has been my experience, and that was my experience in buying for our defence procurement during the years when I had no act to support me.

I believe that when this country is supplying great sums for defence it is entitled to the assurance that those funds are being spent efficiently and carefully. For that reason I tell this house that as a minister of the crown I cannot conscientiously recommend that my department be deprived of powers which I believe are essential to that purpose. I may also say that I do not intend to make any such recommendation.

Mr. Donald M. Fleming (Eglinton): This Bill No. 256, Mr. Speaker, to amend the

Defence Production Act, stands in the name of the Prime Minister. The Prime Minister has today left it to the Minister of Defence Production (Mr. Howe) to make the speech on second reading in its favour. I hope that before this debate has gone very far the house will have an opportunity of hearing from the Prime Minister.

Mr. Gingras: He is not afraid to talk.

Mr. Fleming: The hon. gentleman says the Prime Minister is not afraid to talk. I hope, then, that before long in the course of this debate we will have an opportunity of hearing from the Prime Minister. Perhaps he can give the house the reasons why the house should give second reading to this bill. If the hon. gentleman is giving assurance to the house that the Prime Minister will be heard on this subject, then that assurance will be welcomed.

When the resolution preceding this bill was before the house, which was about three months ago, at the conclusion of the discussion the government agreed to give consideration before moving second reading of the bill to proposals contemplating some limitation upon the life of the powers proposed to be continued by the bill. The Minister of Defence Production has made it abundantly clear in the course of his remarks tonight that the government does not intend to have anything whittled away from the powers contained in this bill. The suggestion which three months ago had sufficient merit at least to commend it to the consideration of the government finds today, at the hands of the government, not sufficient merit to warrant the subtraction of the dotting of an "i" or the crossing of a "t" from the Defence Production Act.

In spite of the brave words used by the minister in his speech today everybody knows that the cabinet has been divided on this question.

Mr. Howe (Port Arthur): Mr. Speaker, that is an absolute falsehood. My hon. friend has no foundation whatever for that statement.

Mr. Fleming: The minister has used words that are completely unparliamentary, and I demand a withdrawal.

Mr. Deputy Speaker: The charge of "falsehood" is perhaps unparliamentary. I would remind the hon. member, however, that he has made his statement, to which the minister made reply; and the hon. member must take the assurance of the minister about things which are within his peculiar knowledge.

Mr. Fleming: May we have the withdrawal?

Some hon. Members: No.

Mr. Howe (Port Arthur): Mr. Speaker, I doubt if my remark is unparliamentary. I was not referring to the hon. member but I was referring to the statement he made. I will say instead that the statement was wholly without foundation in fact.

Mr. Fleming: Will the minister withdraw the unparliamentary remark he made, Mr. Speaker?

Mr. Deputy Speaker: There is no necessity to withdraw, as unparliamentary, remarks unless they were directed personally to the hon. member.

Mr. Green: It was.

Mr. Deputy Speaker: I say there is nothing that needs to be withdrawn.

Mr. Fleming: Then do I understand it to be your ruling that, when a minister, referring to something a member says in the house, says it is a falsehood, that is not a reflection on the member? Do I understand that to be your ruling, because that is what we are dealing with.

Mr. Pouliot: If you will permit me, on a point of order, I would say I listened to what has been said. A statement was made by the hon. member for Eglinton—if I am not mistaken; I hope this designation is true, not false. I heard him make the statement to which the Minister of Defence Production answered, "This is false." He did not say the hon. member for Eglinton was false; he said that what the hon. member had declared was false. It may be true or false.

The hon. member for Eglinton cannot pose as one who has the gift of infallibility. He has not. He may make a mistake, if he will permit my saying so. He may make a mistake, an error in fact. Then what he says is false, but it is not said deliberately. It may be in good faith, and I presume it is. He has been led into error, like all the Tories in this country. I am sure he is sincere; and it is because he is sincere—I will not say "mad", because that might not be parliamentary—that he is offended, and offended because one does not agree with him. But those who do not agree with the Tories in Canada are numbered by the millions and millions. And in this house—

Some hon. Members: Order.

Mr. Pouliot: I am discussing a point of order.

Mr. Deputy Speaker: Order. I think perhaps I have had sufficient assistance to decide the

point of order. May I draw the attention of hon. members to citation 256 in Beauchesne's third edition, which says:

> The imputation of bad motives, or motives different from those acknowledged, misrepresenting the language of another, or accusing him, in his turn, of misrepresentation, charging him with falsehood or deceit; or contemptuous or insulting language of any kind; all these are unparliamentary and call for prompt interference.

It will be noted that the citation uses the expression "charging him with falsehood or deceit." The minister used the words, "that is a falsehood." He did not charge the hon. member—

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order.

Mr. Pouliot: He was in error.

Mr. Deputy Speaker: The minister later said the remark had no foundation in fact, rather than using the word "falsehood". I consider the incident thereupon is at an end.

Mr. Fleming: Mr. Speaker, do I understand then that you are not directing or asking the minister to withdraw the word "falsehood".

Mr. Howe (Port Arthur): Listen to Mr. Speaker.

Mr. Pouliot: If the hon. member—

Mr. Howe (Port Arthur): He is intoxicated with his own importance.

Mr. Deputy Speaker: I listened carefully to the entire interjection, and in my opinion the minister made no imputation against the hon. member for Eglinton. He said that a certain remark made by the hon. member for Eglinton was a falsehood. He later said, after the hon. member for Eglinton had risen, that it was without foundation in fact. I think that is sufficient to close the incident.

Mr. Rowe: On a point of order, how would you term the member a "falsehood" if you did not term his remarks a falsehood?

Mr. Pouliot: May I rise on a point of order?

Mr. Macdonnell: Sit down.

Mr. Green: Sit down.

Mr. Pouliot: I was the first to rise.

Mr. Deputy Speaker: I cannot, of course, deal with hypothetical points of order raised by an hon. member. The hon. member for Eglinton may proceed.

Mr. Fleming: Mr. Speaker, I say no more about the point that has been raised, except that I note that it is sufficient to make an alternative statement without withdrawing unparliamentary words. That is the effect of it.

Some hon. Members: No.

Mr. Fleming: Oh, yes; that is the effect of the ruling that has been made, and careful note will be taken of it.

Mr. Deputy Speaker: Order. The hon. member for Eglinton will please try to refrain from placing an enhanced interpretation upon the ruling I have just made. I said—and I thought clearly and distinctly—that the minister had substituted the words "without foundation" for the word to which the hon. member objected, and I think that closes the matter. If there had been any imputation against the hon. member, then of course I would deal with it in a different way.

Mr. Fleming: Well, no more can be said about it now; but—

Mr. Pouliot: Hear, hear.

Mr. Fleming: —the effect of it may be more far-reaching than some realize at this moment.

What I said, I said with some reason, in the remark I made. In this period when consideration was to have been given, according to the undertaking given by the government three months ago, what I say is that it is perfectly evident now that in the face of the demand of the Minister of Defence Production for a continuation of these sweeping powers under the act, the Prime Minister has wobbled. We will be waiting to hear from the Prime Minister in the course of this debate some justification, from his own lips, of the course he now proposes to condone; as to how a man who has been a leader of the bar, who has been president of the Canadian Bar Association, whose life in large measure has been dedicated to the law, can now be party to a course which proposes to embed permanently in the statute law of this country a denial of the rule of law. That is a task the discharge of which we await on the part of the Prime Minister in the course of this debate.

Mr. Pouliot: What is the denial of the rule of law?

Mr. Fleming: Perhaps my hon. friend could restrain himself. He may find it difficult to restrain himself when listening to me, but I am not going to have a lot of silly interruptions.

Let me make it perfectly clear on this point that we of Her Majesty's loyal opposition attach both importance and gravity to the measure now before us. The cabinet has had its opportunity to review this measure in

these three months, with a view to giving effect to the very reasonable and proper suggestions that came from this part of the house at the resolution stage. Those proposals have been rejected. On the issue thus created we of Her Majesty's loyal opposition are prepared to join issue and, so far as we are concerned, a major issue it is.

Sir, it is not an uncommon complaint heard from time to time that there is not sufficient difference, in a political sense, between the two old, major parties.

Mr. Howe (Port Arthur): Slander.

Some hon. Members: Oh, oh.

Mr. Fleming: Well, sir, I am not one of those who attach very much importance to cries of that kind, because in my reading I have learned that the same thing was said 50 years ago about the same two parties. But, sir, to those who give ear to that kind of talk let me make it abundantly clear now that in this situation there is as between the government on the one hand and us of Her Majesty's loyal opposition on the other a deep issue, a clear-cut issue, an issue as to the status and the authority as well as the prestige of the parliament of Canada; and on that issue, that clear-cut, deep issue we are prepared to fight. We are not unmindful of the fact that this is an advanced stage of this session, that we have had a taste within the past two days of a temperature of 90 degrees, but here is a case that we consider to be of the highest importance, one that lays on every member of this house the highest kind of responsibility; and on this issue we now join battle.

Sir, the bill, as the minister reminded us this afternoon in seductive tones, is very brief. We are asked to measure the importance of this bill by its brevity. Well, sir, there are only two short provisions in it. I do not know that we have had any shorter bill before this house in a long time. It is quite unlikely that we shall have as short a bill as this is before us again for a long time. But let no hon. member of this house misjudge the importance and significance of this bill simply because of its unusual brevity. This bill, both in its effect and in the principle involved, is of far-reaching importance and of the utmost significance.

I can dismiss very briefly, sir, the provision in the bill that proposes an increase in the salary of the Minister of Defence Production from $10,000 to $15,000 per annum. Of course this was an oversight when the amendment to the Salaries Act was passed just over a year ago. It seems to me it should not be introduced in a bill of this kind; it ought to be handled by way of an amendment to the Salaries Act, but we are not making an issue of that. So far as that provision in the bill is concerned we shall put no opposition in its way.

But, sir, let no hon. member of this house dismiss, minimize or overlook the importance of eight words contained in this bill. These words are:

> Section 41 of the said act is repealed.

There are only a few words. Should we be spending time on so few words in this House of Commons at an advanced stage of the session, when most are impatient to conclude the business of the house as quickly as possible? Sir, the significance of these words is this. The measure we are asked to pass tonight is more far-reaching than the original bill that was passed in 1951. There is this fundamental difference in the two bills. The bill of 1951 was a bill which under the extraordinary circumstances then obtaining vested extraordinary powers in the government and in the minister, but it made it all subject to a time limit, which made it necessary for the government to come back to parliament if they wanted an extension of the life of that measure and of those powers, within the space of five years. But what are we asked to legislate for here tonight? Sir, we are asked in effect to re-enact this entire measure, and to remove from it that one saving provision.

Therefore, sir, what we have before us tonight is something much more than simply the continuation of a measure. The act of 1951 had a limitation of time. This amendment, if passed, will create an act without any limitation of time or limitation of any other sort by way of substitute. That is the true basis of comparison. That is the true measure of the effect of the legislation now before us.

Sir, I ask again, as I asked at the resolution stage, that no hon. member of this house should cast his vote on this amending bill until he has gone back and read the 22 pages of the act which, by these mere eight words, we are asked to extend and to embed on a permanent basis in the statute law of this country.

It is clear that we should turn back our thoughts to four years ago, to the conditions under which and the state of mind in which parliament considered and passed the Defence Production Act.

What were those conditions? Sir, it was nine months after the outbreak of hostilities in Korea, when the forces of aggression had swept over the 38th parallel and had overrun almost all of southern Korea; when the United Nations, taking advantage of the fortunate absence of Russia from the security council, had passed resolutions condemning

that act of aggression and summoning the member nations to render aid in resisting aggression; and when Canada, along with 15 other nations, responded by sending aid in the form of army, air force and navy contributions to the forces of the United Nations. Then when, as it seemed, victory had been snatched from defeat, we found Chinese troops pouring over the Yalu river by the hundreds of thousands. It appeared that a desperate defeat was about to be inflicted upon the forces of the United Nations, and for a time a debacle was barely avoided.

These, let me remind hon. members, were the facts that stared this House of Commons in the face four years ago when in March, 1951, we were asked under those extraordinary and critical conditions to pass legislation that was itself of an extraordinary nature.

Sir, extensive description is really not necessary because the Prime Minister himself, at the resolution stage just three months ago, used these words to describe the situation with which we were confronted, along with the other nations of the free world, in April, 1951. These were his words, as we find them at page 1904 of *Hansard* of March 10, 1955:

> Hon. members will recall that when the Department of Defence Production was established on April 1, 1951, it was to meet an emergency situation brought to a head by the fighting in Korea.

Mr. Howe (Port Arthur): What is the situation now? Tell us about that.

Mr. Rowe: Where is the fighting now?

Mr. Fleming: If the minister will possess his soul in patience for a while we shall have a look at the situation now and test whether the descriptions of the improvement in the situation that have come from some of his colleagues are entitled to a little more respect from the minister than he has undertaken to show in his statement tonight.

Sir, those were the conditions according to the Prime Minister's admission. This bill was passed to meet an emergency situation brought to a head by the fighting in Korea. Those were days of scarcities of materials, of a world-wide scramble for strategic materials. It was a world caught unawares by aggression, when it seemed that we were on the verge, it might well be, of a third world war. I can remember one of the colleagues of the Minister of Defence Production coming into the opposition lobby at that time and telling us in grave tones, with a long face, that it looked to him as though we were on the verge of a third world war.

That was the condition under which this statute was born. That was the frame of mind the government asked on the part of parliament in approaching this matter. That was the very time when parliament at the request of the government was legislating, if you please, in terms like these, and I read from the preamble of the Emergency Powers Act which received royal assent on March 21, 1951:

> Whereas an international emergency exists that threatens the security of Canada;
>
> And whereas it is essential that emergency powers be conferred to enable measures to be taken as urgently required from time to time to carry out adequate defence preparations, to regulate the economy of Canada to meet the needs of defence and to stabilize the economy and to safeguard it from disruption that may result from defence preparations in Canada or from emergency measures taken in other countries, in order that defence preparations may not be impeded;

That was the kind of legislation that parliament was passing in March, 1951, at the request of the government. Parliament was legislating in terms to give parliamentary and statutory acknowledgment to the fact that a grave international emergency existed that threatened the security of Canada.

Let us then compare those conditions with conditions in the world today. The Minister of Defence Production has asked parliament and the country in effect to say that there is no material change in conditions as between March, 1951, and today. What then is the meaning of the statements we have heard in Canada from the Secretary of State for External Affairs (Mr. Pearson) about the improvement in conditions? In fairness it must be said that they have been guarded statements, as properly they should be. Nobody can say that there is no danger in the world today, but at any rate the Secretary of State for External Affairs has permitted us to believe that there has been improvement. The Prime Minister (Mr. St. Laurent) has invited us to believe that there has been improvement. Mr. Dulles has said that there has been improvement. Sir Anthony Eden has said, not once but on various occasions, that the situation is improving.

Are we to cast aside all these reliable assertions and accept the position which the Minister of Defence Production puts before us in saying that there is no material improvement, that to all intents and purposes the situation is as bad as it was in 1951 and therefore we should give him all the powers that were considered necessary in March, 1951, when parliament gave recognition to the existence of an international emergency which threatened the security of Canada?

Has there been no improvement since March, 1955? At the time this measure was being discussed at the resolution stage all the interested countries had not ratified the treaty

for the rearmament of Germany, but we know now that this has been accomplished in the meantime, and that the time has now come which has been looked forward to for a long time, when the western nations are in the position, according to the accepted phrase, of being "able to negotiate from strength". Although four years ago we were faced with an international emergency threatening the security of Canada; although we have now, four years later, reached the position where the western nations feel that they are able to negotiate from strength, the Minister of Defence Production says there is no change in the situation which would justify parliament in subtracting from him one iota of those sweeping powers he had voted to him in 1951 at the hands of parliament.

So that this debate may be cast in its proper perspective, let me state with care the position we take. The minister correctly said this afternoon that we do not question the necessity for the continuation of the Department of Defence Production. The case for the continuation of that department was established to our satisfaction even before the resolution was introduced.

We agree that the civil servants in the employ of this department should not be on a mere temporary basis. We agree that a department of this kind should be able under present conditions to handle the problems of procurement better than a crown agency like the Canadian Commercial Corporation. So we support unreservedly the position that the department should be made permanent and that those who now have temporary status should enjoy the same status as the employees of other departments.

Second, we are quite prepared, as we said at the resolution stage of this measure, that the department should be given adequate powers to meet any foreseeable needs having regard to the situation and having regard to the fact that parliament is going to continue to meet and is not, we trust, going to be sent home indefinitely. But we say, and we say with all conviction, that the powers in this bill are excessive, and that under present conditions there can be no justification for the government asking that these sweeping, yes, untrammelled powers, be vested in the government and in the minister, since so many are vested directly in the minister.

We say that it is a curious paradox, indeed a paradox that could exist only at the hands and in the minds of this government, that when the world was faced with such an international emergency as to threaten the security of Canada the government asked parliament to confer such powers upon the government subject to a time limit, but now when the western world describes itself as being in a position to negotiate from strength, when the situation according to the description of every responsible world leader has improved substantially, the government opposite asks parliament to go further than it did in 1951 and confer these powers afresh, but this time without the effective limitation in time that was proposed and accepted in 1951.

The minister made an extraordinary statement today. He described this as "a model act of the kind". What kind? I say this can be better regarded as a model decree of a Caesar. What are the powers in this act? Do not take my description, rather let us take the government's own description of the powers in this act. First of all perhaps it would not be amiss to take the words of the minister, and I quote from page 839 of *Hansard* of March 2, 1951:

Mr. Howe (Port Arthur): Read the whole paragraph this time for a change.

Mr. Fleming: The minister described the powers in these words:

> By and large, these are the powers that are now contained in the Defence Supplies Act, which, hon. members will notice, is only being suspended during the life of the present proposed act. Other powers are of an extraordinary nature but fitted to the extraordinary circumstances of today.

Those are the words of the minister; that was his description of the powers conferred by parliament in March, 1951. They were powers of an extraordinary nature fitted to the extraordinary circumstances of March, 1951, when we seemed to be on the brink of world war III. That was the minister's description of the powers that were conferred upon him by this bill.

Mr. Macdonnell: Very good, too.

Mr. Howe (Port Arthur): Don't be carried away by it.

Mr. Fleming: Lest it be thought that I am paying too much attention to the minister, let us look back at words which the minister used on that occasion and which the Prime Minister said three months ago, when this measure was under debate at the resolution stage, in clear terms represented the view of the government and the Prime Minister. At page 836 of *Hansard* of 1951 we find that the minister used these words:

> It is proposed that the act would expire on July 31, 1956. There is no particular significance to this date, other than to recognize that some of the powers sought in this bill are special powers which should not be of a continuing nature.

Let me repeat:

> . . . some of the powers sought in this bill are special powers which should not be of a continuing nature.

Those are not my words. Those are not the words of Her Majesty's opposition. Those are the words of the minister. Those are the words of the government, given complete recognition and acceptance by the Prime Minister in this house just three months ago.

What were those powers which came within the ambit of that description? Mr. Speaker, when this measure was under debate at the resolution stage you will recall the efforts I made to find out from the Prime Minister what were the powers in this bill that were so described. You will remember that when one endeavoured to pursue the Prime Minister on this subject he dodged, sidestepped, averted and avoided the question. If you will look at pages 1998 and 1999 of *Hansard* of March 14, 1955, you will see on the part of the Prime Minister about as complete an example or performance of sidestepping as we are likely to see inscribed in any parliamentary record. He would not answer the question. That was what it came down to. Faced with his own statement or the statement of his spokesman in 1951 that this bill contains special powers which should not be of a continuing nature, the Prime Minister was not prepared to say what those powers were. He avoided that question.

Mr. Dickey: That is only part of the statement.

Mr. Fleming: Very well. We turn now to what the minister himself says in 1955. If you will look at *Hansard* of March 11, 1955, at page 1967, you will find the minister saying this:

> I quite agree that all the powers set out in the act should not be continuing powers;

Mr. Howe (Port Arthur): Read it all.

Mr. Fleming: That is what the minister said.

Mr. Howe (Port Arthur): That is about the fifth time the hon. member has taken paragraphs out of their context. Again he reads it out of its context.

Mr. Fleming: It is the beginning of the paragraph. Must I go back and read the whole paragraph that goes before it in order to satisfy the minister?

Mr. Howe (Port Arthur): I referred to that paragraph in my speech.

Mr. Fleming: Yes; the minister referred to it in his speech again tonight, and he tried to water down and run away from the plain words he uttered in March last. He tried to run away from the words he uttered in March, 1951, and he tries to run away from the words he uttered on March 11, 1955. Again in 1955, just three months ago, the minister is admitting that there are powers in this act that ought not to be of a continuing nature. Will he be frank enough to tell the house what are the powers in this bill that ought not to be of a continuing nature?

The whole balance of his speech tonight—which was not in balance—sought to make the house think that in this act there are no powers that ought not to be of a continuing nature. That was why I asked the Prime Minister, not once but many times, what were and what are the powers in this act that ought not to be of a continuing nature, according to the government's own definition, and the Prime Minister denied me an answer.

Then let us turn back once again, this time to the words of the Prime Minister. Let us look at the words uttered by the Prime Minister on March 5, 1951. You will find them at page 908 of *Hansard*. Here I quote the hon. member for Vancouver-Quadra:

> Mr. Green: Then may I ask the Prime Minister whether any further powers would be required to carry out defence production if we were actually in a third world war?
>
> Mr. St. Laurent: I do not anticipate there would be.

Do hon. members appreciate fully what the Prime Minister was saying there? He was saying to the house in March, 1951, that the powers in respect of defence production conferred by this act were all that would be required even if we were cast into the maelstrom of a third world war. Let hon. members opposite ponder well that there are powers in this measure that the Prime Minister has said are all that would be required in respect of defence production even in the event of a third world war. Is the house going to legislate on that basis? Is the house going to go so far beyond the measures it took under those conditions and in the face of that statement by the government in 1951, and enact today a more far-reaching measure than the one it enacted in 1951?

In his speech tonight the minister sought to play down the provisions of this measure. To listen to him, Mr. Speaker, one would have thought it was such a milk and water measure that it did not give him adequate powers for the task that has been assigned to him. But let there be no mistake in the mind of any hon. member. The descriptions I have been giving to the house as to the powers contained in this bill are descriptions given by the government itself. They are descriptions given by the minister and by the Prime Minister; "extraordinary" and "special powers which should not be of a continuing

nature"; "powers that should not be of a continuing nature"; "powers as great as would be required in the event of a third world war".

I submit to the house that the description of those powers that the house has heard in the passages I have quoted from statements made in this house in 1951 and in 1955 by the Prime Minister and the Minister of Defence Production were true, fair and accurate descriptions of those powers. I hope the house will not be misled by these cooing, seductive words of the Minister of Defence Production tonight into thinking that these powers are not what in fact they are. Look at some of these provisions, Mr. Speaker.

Section 15 reads as follows:

15. The minister may, on behalf of Her Majesty and subject to the provisions of this act—

You will note, Mr. Speaker, that it is the minister who may do these things; it is not the governor in council. These are powers conferred directly on the minister.

(a) buy or otherwise acquire, utilize, store, transport, sell, exchange or otherwise dispose of defence supplies;

(b) manufacture or otherwise produce, finish, assemble, process, develop, repair, maintain or service defence supplies or manage and operate facilities therefor;

(c) construct or acquire defence projects and sell, exchange or otherwise dispose of them;

(d) arrange for the performance of professional or commercial services;

(e) purchase or otherwise acquire, sell, exchange or otherwise dispose of real or personal property or any interest therein which, in the opinion of the minister, is or is likely to be necessary or desirable for any of the purposes mentioned in paragraphs (a), (b) or (c);

(f) make loans or advances to or guarantee repayment of loans or advances made to a person for the purpose of providing assistance for the construction, acquisition, extension or improvement of capital equipment or works by, or to provide working capital for, that person for the manufacture, production, finishing, assembling, processing, development, storage, transportation, repairing, maintenance or servicing of defence supplies or for the construction or operation of defence projects or by way of advance payment on account of or to enable that person to carry out any contract entered into with the minister under this act or any defence contract; and

(g) do all such things as appear to the minister to be incidental to or necessary or expedient to the matters mentioned in the foregoing provisions of this section or as may be authorized by the governor in council with respect to the procurement, construction or disposal of defence supplies or defence projects.

Then, sir, section 16 goes on to provide for a fund to be known as the defence production revolving fund, to consist of $100 million, which shall be placed at the disposal of the department for these purposes. It is a revolving fund and has been used as working capital by the department. Then let us look at section 17, which reads:

17. (1) The minister may, on behalf of Her Majesty, enter into contracts for the carrying out of anything he is authorized to do under section 14 or 15 and the following provisions apply with respect to every such contract entered into by the minister on behalf of Her Majesty: . . .

Then follow a number of provisions, and I draw attention to subclause 1 (e), not because it is the only one that is important for this purpose but because I think hon. members should have their vigilance directed to it. It provides:

(e) a contract may be entered into by the minister without the approval of the governor in council if

(i) in the opinion of the minister, the contract must be entered into immediately in the interests of defence,

(ii) the estimated expenditure, loan or guarantee does not exceed $25,000, or—

You will see that these are alternative provisions.

(iii) competitive tenders have been obtained and the lowest tender involving an estimated expenditure not exceeding $50,000 is accepted . . .

Then, sir, turn if you will to section 23, which provides:

23. (1) Where a person who has been requested to enter into a defence contract on terms and conditions that the minister considers to be fair and reasonable has refused or failed to enter into the contract, if the minister is satisfied that such person owns or controls facilities that are suitable for or can be adapted to the work required to carry out such contract and that his refusal or failure was without reasonable excuse, the minister may direct that person to produce, deliver or store, or to construct, as the case may be, on such terms and conditions and within such period as the minister considers to be fair and reasonable in the circumstances, the defence supplies or the defence project or projects that would have been the subject matter of the contract if it had been entered into.

(2) A person who stores defence supplies pursuant to a direction under this section is liable for the loss thereof or for damage thereto as if he had agreed to store them for reward.

Then, sir, we have section 24 which is in these terms:

24. (1) The minister may, where he deems it necessary for any of the purposes of this act—

Note again, sir, that this is one of the provisions that confer power directly on the minister.

—by notice in writing to a person who owns or has in his possession, custody or control defence supplies, requisition the supplies on behalf of Her Majesty.

It goes on in subsection 2 to provide that where a notice is given, title to these defence supplies vests forthwith in Her Majesty. Turning forward now to section 27, it reads:

27. (1) Where the minister—

Again note it is "the minister".

—is satisfied that

(a) a person who has entered into a defence contract has failed or is likely to fail to perform the contract in a businesslike and efficient manner,

(b) a person who has entered into a defence contract has failed to keep proper and detailed accounts and records of the cost of the work performed under the contract, or

(c) a person to whom a direction has been given under section 23, or who is required pursuant to a regulation to give priority in the carrying on of his business to the production of or dealing in defence supplies, or construction of defence projects has failed without reasonable excuse to comply with the direction or regulation or the minister is satisfied that he will so fail or is likely so to fail

the minister may authorize another person (in this act called a "controller") to carry on, until the minister otherwise directs, the whole or any part of the business of that person.

Then the further subsections go on to provide that the controller so appointed shall be deemed to be the agent of the owner for the purpose of carrying on that business.

Then I come to section 28:

28. (1) The governor in council may, by order, direct that a person shall not be bound by any obligation, restriction or limitation imposed on that person by or under any statute, order, rule, regulation, by-law or contract with respect to such matters as may be specified in the order affecting the entry into or performance of a defence contract by that person or the carrying out of an order made by the minister under this act.

(2) Where the failure to fulfil any contract, whether entered into before or after the first day of April, 1951, is due to the compliance on the part of any person with any provision of this act or any order or regulation, proof of that fact shall be a good defence to any action or proceeding in respect of the failure.

Sir, do hon. members realize the full import of the provisions of section 28? Is it realized by hon. members that at this time, at a time when the west is negotiating from strength, it remains possible for the cabinet to make an order directing that any person shall not be bound by any obligation, restriction or limitation imposed upon that person by or under any statute? That includes an act of the parliament of Canada. That means that even where an obligation is imposed upon a Canadian subject of Her Majesty by act of the parliament of Canada it remains possible under this legislation for the governor in council—

Mr. Rowe: To repudiate it.

Mr. Fleming: —to make an order destroying that obligation. That is what that provision means. It can nullify any obligation created by an act of the parliament of Canada or by a statute of any of the legislatures of Canada or by any contract, if it happens to be one that the governor in council chooses to think should be overriden for the purposes of this act.

Are hon. members of the house going to put themselves in the position of continuing legislation of that kind? Are they prepared to go further than before and embed permanently in the statute law of Canada provisions that the governor in council may nullify for these purposes any obligation imposed upon a Canadian subject of Her Majesty by an act of the parliament of Canada, by an act of any legislature of any province of Canada or by any contract?

Then follows section 30:

30. The governor in council may, from time to time,

(a) designate as an essential material any material or substance the control of the supply and use of which is, in his opinion, essential to ensure the availability of adequate defence supplies or for the construction or operation of defence projects; or

(b) designate as an essential service the carrying on of any commercial activity, including the generation and distribution of electrical energy, the control of which is, in his opinion, essential for the adequate production or use of essential materials for defence supplies or defence projects; to meet the requirements of the defence forces of Canada or for co-operative efforts for defence being carried on by Canada and associated governments.

Sir, do hon. members realize that under this act it lies within the power of the governor in council any time it chooses to do so to designate as an essential material, and therefore make it subject to all the provisions of this act, any material or substance the control of the supply and use of which is, in the opinion of the cabinet, essential to ensure the availability of adequate defence supplies and that, with respect to any defence project, it rests within the power of the cabinet to designate any project, any commercial activity of any kind, including the generation of electrical energy, as an essential service and so make it subject to all the provisions of this act? Do hon. members from Ontario stop to realize that under the provisions of this section it rests within the power of the cabinet to designate all the enterprises, all the undertakings, all the works of the Hydro-Electric Power Commission of Ontario as an essential service and make them subject to all the overriding provisions of this act and the powers of the minister in regard thereto?

Then, sir, we find that section 31 says:

The governor in council may do and authorize such acts and things and make from time to time such orders and regulations as he deems necessary to control and regulate the production, processing, distribution, acquisition, disposition or use of essential materials or the supply or use of essential services for the purposes of

(a) ensuring the availability of defence supplies or the construction or operation of defence projects for the defence requirements of Canada and for co-operative arrangements for defence being carried on by Canada and associated governments; or

(b) ensuring that abnormal requirements of essential materials and services for defence supplies or defence projects are obtained in the manner least likely to cause disruption of the trade and commerce of Canada dependent on those materials and services, which disruption might impede or prejudice the defence preparations or the economic stability of Canada.

Then, sir, it goes on:

Subject to the regulations, if any, the minister may, by order, as he deems necessary for the purposes specified in subsection (1),

(a) require any person who produces, possesses, deals in or has in his possession or control any essential materials to deal with, supply or dispose of any such materials in such manner and in such priority to that person's other transactions as the minister may prescribe;

(b) require any person who produces or processes any essential materials to produce or process any such materials in such manner and in such priority to that person's other production or processing operations as the minister may prescribe;

(c) prescribe the quantities of, the manner and circumstances in which and the conditions on which any essential materials may be produced, processed, used, acquired or disposed of, either generally or within periods of time prescribed by the minister, and for these purposes may require persons to obtain permits;

(d) require any person who supplies any essential service to supply the service to such persons, to such extent and on such conditions as the minister may prescribe;

(e) prescribe the restrictions and conditions according to which an essential service may be supplied or used, either generally or within periods of time prescribed by the minister, and for these purposes may require persons to obtain permits;

(f) fix the maximum prices, either by determining the selling price or the mark-up, at which and the terms and conditions on which any essential materials or essential services may be sold or offered for sale by any person; and require any seller to refund to any buyer any sum or consideration received in excess of a maximum selling price so fixed;

(g) prescribe the circumstances in which and the terms and conditions on which, for any purposes of this act, permits shall be obtained from the minister or from a person designated by the minister; grant general or other permits; and amend, suspend or cancel any permit;

(h) require any person to furnish such information respecting essential materials produced, processed or dealt in by him or essential services supplied by him, or respecting his production and other facilities relating thereto, in such time and manner as the minister may prescribe; and

(i) do such further things in regard to the production, supply, distribution, and use of essential materials or essential services as may be authorized by order or regulation of the governor in council.

Section 32 goes on then to attach a penalty to a breach of the provisions of this act or of orders or regulations made under authority of this act, and these penalties may go up to two years' imprisonment or fines up to $5,000. That is what that act does, and those are the powers the act confers, some of them on the cabinet but many of them directly upon the Minister of Defence Production. Is it any wonder, sir, that the Prime Minister acknowledged in 1951 that no wider powers than these would be required in respect of defence procurement or defence production in the event of a third world war? These are the powers that made, were intended to make, and which the government now asks this house to grant to make the cabinet and minister omnipotent.

The minister made the amazing statement this evening that this bill goes no farther than the provisions of the comparable legislation in the United Kingdom. I do not know what on earth he was referring to. He must have a different kind of statute book of the United Kingdom to refer to from the one which I have been reading. The legislation that was passed in the United Kingdom in 1951, on the basis of the emergency arising out of aggression in Korea, does not hold a candle to this Defence Production Act of ours. The legislation that was enacted at Westminster in 1951 was entitled the Supplies and Services (Defence Purposes) Act, 1951. This received the royal assent on May 26, 1951. It simply added to the purposes for which certain powers were conferred on the cabinet by the Supplies and Services (Transitional Powers) Act, 1945, the following:

(a) providing or securing supplies and services required for the defence of any part of His Majesty's dominions or any territory under His Majesty's protection or in which he has jurisdiction, or for the maintenance or restoration of peace and security in any part of the world, or for any measures arising out of a breach or apprehended breach of peace in any part of the world; and

(b) preventing supplies or services being disposed of in a manner prejudicial to the defence of any part of His Majesty's dominions or any such territory as aforesaid or to peace and security in any part of the world or to any such measures as aforesaid;

Then it went on to attach safeguards even to the use of those powers, which are very much more limited than the powers contained in our Defence Production Act. If you refer back to the act of 1945, the Supplies and Services (Transitional Powers) Act, chapter 10, which was amended by the statute to which I have just referred, it will be seen that the powers that were conferred even at the close of world war II were not as great. I ask hon. members to bear that in mind. Here I am referring to powers that were conferred upon the cabinet in Great Britain in December, 1945, just after the conclusion of hostilities and while conditions were still very disturbed. This act conferred certain powers upon the cabinet, not upon a minister. Section 1 provides:

If it appears to His Majesty to be necessary or expedient that any defence regulation to which this section applies should have effect for the purpose of so maintaining, controlling and regulating supplies and services as—

(a) to secure a sufficiency of those essential to the wellbeing of the community or their equitable distribution or their availability at fair prices; or

(b) to facilitate the demobilization and resettlement of persons and to secure the orderly disposal of surplus material; or

(c) to facilitate the readjustment of industry and commerce to the requirements of the community in time of peace; or

(d) to assist the relief of suffering and the restoration and distribution of essential supplies and services in any part of His Majesty's dominions or in foreign countries that are in grave distress as the result of war;
he may by order in council direct that the regulation shall have effect by virtue of this act . . .

And so forth. Now, those are the provisions in the legislation of the United Kingdom. I say to hon. members that they will search in vain for legislation comparable to the Defence Production Act, at the time of its passing, as to the powers it confers on the cabinet, or powers conferred upon a minister.

I urge that hon. members, before they vote these renewed and extended powers—because they will be extended in the sense that now they will be without limit in point of time—should ask themselves this question and apply this test. Are these powers necessary? Well, surely in the light of the fact that we are negotiating from strength today it is not going to be said, particularly in view of the statements made by the Prime Minister and the Secretary of State for External Affairs, that conditions are not improved over what they were in 1951. Therefore it is surely fair, in asking ourselves "Are these powers necessary today?" to ask what use was made of them, to ask what use the government and the minister found it necessary to make of them in the days of crisis, beginning in 1951.

What is the record? Well, the minister was asked some questions by myself in the house on March 11, at the resolution stage, as to the use which the government had found it necessary to make since 1951 of these sweeping and untrammelled powers conferred upon the cabinet and the minister by the sections of the act I have just quoted. Here are the statements of the minister as to section 23. He says, "There has been no resort to that section." Then as to section 24, he refers to the fact that there were priorities orders some time in 1951, 1952 and 1953, but acknowledges that two years ago the priorities system came to an end, and that accordingly no use had been made of the powers under that section for the last two years.

Then we went to section 30, and I asked the minister:

What orders are in effect under section 30?

The minister answered that there were none. Then we went on to section 31, and I asked if there were any orders outstanding under section 31 today, to which the minister replied that there were no orders outstanding at that time under section 31. Then I asked about prosecutions under section 32, and the minister said tonight that there were, altogether, nine prosecutions, and that the last conviction was entered on May 30, 1953.

So it is evident that there has been no occasion to use the powers under that section for the past two years.

Then the minister was also asked about section 27, which gives him the power to appoint a controller, and he admitted that the government did not find it necessary to use the power to appoint any controller. Then as to section 28, the minister has said tonight that the government has not invoked that section. It is evident again that the government did not find it necessary to use or invoke the extraordinary powers conveyed by that section. Similarly in regard to section 29, no use has been made of the powers to appoint a special investigator.

It is evident from this review that since those very trying days beginning in 1951 the government has not found it necessary to use more than a fragment of the powers the government now asks to be continued, and continued without any limitation whatsoever in point of time. The whole aggregate use made by the government and the minister of the powers under this act, the extent to which they found it necessary to resort to or invoke those powers, just falls infinitely short of justifying the sweeping powers under this act.

Sir, the minister himself gave away the whole case he was trying to make for an increase in those powers when he admitted this, as reported at page 1967 of *Hansard*:

I know of no one who does not take defence contracts, all the defence contracts they can get under this act; they are very glad to do so.

Sir, in the face of that statement how can the minister seriously ask this House of Commons to go on vesting in him sweeping powers which the government has not found any occasion to resort to or invoke in the very trying days behind us? The fact is that we are in a buyers' market today, and the minister well knows that. Industry well knows it. The minister has plainly admitted that he gets all the co-operation from industry that is required.

Now let us deal with one or two, indeed with all the arguments the minister has put forward in asking for this grant of powers. First of all, he has not told us explicitly but we know from past experience that the government always seeks to justify the granting of excessive powers to it, at the expense of parliament, by saying, "Oh, but we need stand-by powers." Sir, this government does not need stand-by powers.

Mr. Howe (Port Arthur): We did not say that, either.

Mr. Fleming: The fact of the matter is that parliament is an existing institution. Parliament can be called together very swiftly. We remember very well August, 1950, when parliament, even in the face of a crippling national railway strike, was called together in a matter of several days. Members got here somehow or other in a matter of several days after being called; in much less time, indeed, than a week.

Is it to be said that such a calamity is going to befall this country under present conditions that, with reasonable powers under a proper measure of this kind, the interests of the country would suffer while parliament was being summoned? Sir, I say to you that, in face of the facts, that argument just does not hold water any more. But if a supreme calamity should befall this country, then I say the only supreme calamity which could justify these sweeping and untrammelled powers being conferred by parliament upon the cabinet would be a third world war, and we might as well be frank enough to acknowledge that fact. Canada has all the stand-by legislation it needs for that purpose under the provisions of the War Measures Act, chapter 288 of the revised statutes, which stands on the statute books of Canada. There are continuing powers. If that supreme calamity which, pray God, may never befall us, should come about, every power that Canada needs, the supreme power, is there at the government's hand, if it chooses to invoke that act under those extreme circumstances.

Therefore I say, sir, that the argument the government has used in times past about the need for stand-by legislation just does not hold water. On the contrary, the existence of legislation of this kind places in the hands of the minister—a minister who has never been unwilling to accept grants of power at the hands of parliament—powers that could be used to create compulsion, a compulsion of fear on the part of Canadian citizens.

Will hon. members recall the words used in the house by this same minister on September 8, 1950, when, in reference to the Essential Materials (Defence) Act, he said this:

> I suggest to the committee that a word from the government is more effective if there is a law in the background that can be applied in case the response is not all that may be desired.

I suggest to you, sir, that there is a sinister meaning lurking in those words. And I say to you, sir, it is such a sinister possibility that the House of Commons ought to be supremely vigilant in not placing such powers in the hands of a minister as will permit him to hold a club over the head of any Canadian or a threat over the head of any person, particularly in face of his own statement that he has had co-operation from business, and that business wants defence contracts.

Then there is the argument sometimes used in connection with this legislation, one we have heard in years past, that this legislation could be used by a beneficent government for the purpose of distributing the benefits of defence production. This was the measure that some members thought was going to be used to bring the benefits of secondary industry to the maritime provinces, for instance, or to take some defence construction to the prairie provinces. Well, sir, that was a very hollow and empty promise, as hon. members well know. I do not think any hon. member is likely to be deluded by that argument again.

Then in fairness I wish to recall that the minister did tell us when this measure was under discussion at the resolution stage—you will find it on page 1995 of *Hansard*—that we were faced in Canada today with shortages. He was apparently trying to chill the blood in the veins of hon. members as they recalled the scramble for the strategic materials that were in such short supply when this measure was first passed in March of 1951. The minister used these words:

> As I have said, we have a shortage today of nickel. We have a shortage of copper. We have a shortage of aluminum, and we are threatened in Canada with a shortage of scrap iron.

Sir, what are the facts? The fact is that production of copper is running at record rates in Canada. The fact is, sir, that the same can be said of the production of nickel and of aluminum. Our exports of these metals are at record highs today. I do not suppose we have ever known anything like these figures in peacetime, and therefore in the face of the fact that Canada is exporting those metals at such a prodigious rate today, I do not think anybody is going to take very seriously the suggestion of the minister that we have a shortage of those commodities or metals in Canada today.

I appeal to hon. members, sir, and I do this respectfully and earnestly. Here I am not appealing to a minister whose mind is inflexible; I am appealing to hon. members who normally support the government, in the hope that they will individually take a serious and responsible look at what they are being invited to do. Here I am not dealing with something that is abstract or theoretical; it seems to me that in talking about the rights of parliament and the position of parliament as the champion of the rights and freedom of the people, we are talking about something that is more practical than anything else I know of.

Defence Production Act

The supreme duty of parliament, in discharging its responsibility to the people, is to be true and faithful to its traditional role of the champion of the rights and freedom of the people. I quote, sir:

> The privileges of parliament are the privileges of the people, and the rights of parliament are the rights of the people.

Sir, those are not my words. Those were the words of a greater Liberal than is to be found in the House of Commons today. These were the words of Edward Blake in his speech in London on August 28, 1873.

How this government loves to dress up what is in fact a denial of the rule of law, the subjugation of parliament to the executive branch of government, by having parliament go through the process of conferring upon them the power to legislate. And that vicious practice is dressed up. An attempt is made to clothe it with an air of respectability by calling it "delegated legislation". Sir, no euphonious title will succeed in applying a sufficient disguise to this vicious and threatening practice.

Hon. members can well see, in the light of the description of the Prime Minister of the powers under this act, that these are such powers as make it possible for the government to make itself dictator of the Canadian economy tomorrow. Under this legislation the government, and particularly the Minister of Defence Production, hold the Canadian economy in the palms of their hands. The government can override any other legal obligation howsoever created.

Sir, these powers are so sweeping that I am quite sure most Canadians just could not believe this is the way in which parliament is called upon by this government to legislate. But there are recent words by a very eminent Canadian Liberal whose political as well as professional views have been sought by this government, or have been made known to this government in more ways than one. I refer, sir, to a speech made in Toronto last Friday by Professor J. A. Corry of Queen's University, which was reported in the Toronto *Globe and Mail*, of June 3, 1955, and from which I draw a couple of paragraphs:

> The events of the last 30 years have reinforced the attachment of the thoughtful to the rule of law. But the substance of the rule of law will not be preserved unless very substantial numbers of the electorate put a high value on individual freedom, feel a sense of personal responsibility for its maintenance, and are habituated by constant practice to steering their own course. This opinion was expressed last night by Professor J. A. Corry of Queen's University, president of the Canadian political science association, speaking on the prospects for the rule of law . . .
>
> Dr. Corry outlined how the rule of law was threatened by the delegating by parliament to its executive government of wide-reaching discretionary power. Special study was made of the situation in Britain, with detailed consideration of the Crichel Down case in which a bureaucratic decision was finally reversed after a long fight.
>
> "No one knows how many Crichel Downs there really are over which village Hampdens failed to make any dent in the departmental armor," the speaker commented.
>
> If discretionary powers of executive government are concerned with the margins of activity in which individuals and groups engage together, and not with the core and centre of the relationships, the community can hope to benefit by discretionary regulation, Dr. Corry believed. If, on the other hand, government has pulled down too many of the guiding signs that law provides, and replaced them with a promise of policy directives which cannot be predicted as to timing and which can be changed at will, the essential self-generating initiative which is the mark of the free community will be paralyzed.
>
> "Where comprehensive planning and directing of economic and social life has been conceded to the government, the rule of law and its consequent individual freedoms cannot survive," the speaker stated.

Sir, these are not my words; these are not the words of any member of Her Majesty's loyal opposition. These are the words of a very eminent Canadian political thinker, and a Liberal, if you please. This is what he has to say about the practice of delegated legislation, this vicious and unwholesome practice in which we are being invited by the government to indulge again.

Sir, hon. members, as I conceive it, were elected to this house to legislate, not to abdicate the legislative function to the government. They are elected to preserve freedom, not to open the doors or admit the Trojan horse of executive power into the citadel of Canadian freedom.

We of Her Majesty's loyal opposition have fought this kind of legislation, and I think we can point to some success. And, sir, we mean to go on fighting against this vicious practice. Let there be no doubt in the mind of anyone on that score.

Sir, I address myself, I will not say hopefully but at least earnestly, to hon. members opposite who normally support the government and call themselves members of the Liberal majority in this house. I quote to them words which are not mine:

> You are representatives of the people, and I put it to you, as you are greatly honoured, should you not greatly dare? You are sent to do your duty to your constituents, whether your acts always give satisfaction or not.

Sir, these are the words of Mr. Howe; not the Minister of Defence Production but the great Joseph Howe, than whom no Canadian had a greater understanding or perception of democracy, according to the British parliamentary tradition. Those were words addressed to the majority, that they should

do their duty whether they give satisfaction or not; in this case whether or not they give satisfaction to the government opposite.

And again:

> Free and independent men in the legislature, as in the country, are the best counterpoise to faction and the mainspring of a nation's progress and greatness.

Those are the words of Egerton Ryerson, one of the greatest of all Canadians, uttered in 1867.

I give one more quotation. These are not the words of a Canadian, but they are worthy to be the words of any Canadian believer in democracy:

> The most dangerous enemy to truth and freedom amongst us is the compact majority.

Those are the words of Henrik Ibsen, to be found in his "An Enemy of the People". I do not wish to take anything away from the position of the majority in this house, but I do ask hon. members who constitute the majority to ask themselves as individuals, after they have read, marked and inwardly digested the provisions of this bill, whether they are justified in removing the time limitation which parliament found it necessary to write into this legislation in a day of crisis in 1951, and continuing to grant all these powers without curb and without time limit.

Freedom is not something abstract and theoretical; it is something intensely practical. Not so many years ago there was a man who said:

> It is true that liberty is precious—so precious that it must be rationed.

Some hon. members will recognize those as the words of Nikolai Lenin. In 1955 let the Canadian parliament not be a party to the rationing of that freedom which is embodied in the authority of parliament.

Hon. members have been asked to believe that it is necessary to do this, even in face of the fact that the government did not find it necessary to invoke more than a fragment of these powers in days more difficult than those we are living in now. I think of the words of William Pitt, who said:

> Necessity is the plea for every infringement of human freedom; it is the argument of tyrants; it is the creed of slaves.

If things were different the government's case might be stronger, but we as members of this house cannot close our eyes to the fact that whether it is exercising extraordinary powers or even ordinary powers this government has set its face against communicating information to parliament which the elected representatives of the people ought to have. Indeed it has reached the point now where there is a veritable complex on this subject in the mind of the cabinet and of those who have supported it through thick and thin. Under those circumstances parliament is curbed; under those circumstances the great days of parliament are gone. It rests with us to decide whether we shall reverse this trend and restore something of the greatness of parliament. I quote again:

> Parliament is the grand inquest which has the right to inquire into anything and everything.

Those were the words of a man who spent a great deal of his life holding ministerial power in Canada; those were words uttered in 1861 by Sir John A. Macdonald. In those days parliament was a grand inquest with the right to inquire into everything and anything, but it is not today, when we see secrecy imposed by the government, and hon. members of this house in the discharge of their solemn obligations to the constituents who elected them denied information they ought to have. Surely then hon. members are going to think seriously before they confer unlimited and untrammelled power upon this government without any limitation of time.

This is what I hope will be my final quotation:

> Our objects are open and avowed. We seek no concealment, for we have nothing to conceal.

Those were the words of a great Liberal; those were words uttered by Robert Baldwin in 1844. That was the predominant and guiding principle in Liberal thought in those days, that Liberal governments having nothing to conceal should not make an effort to conceal. But this Liberal government in this year 1955 finds it necessary to conceal from the elected representatives of the people in parliament.

Our duty here is to restore the greatness of parliament. It is our duty to know what is required to be known by the people and their elected representatives, and above all to see that legislation that is to bind Canadians is passed in the open for all to see according to proper and established and traditional parliamentary processes.

The minister says, "Oh, it is enough that my estimates will be up every year." How can you repeal or amend legislation on the minister's estimates? The suggestion has nothing but nonsense in it. All you can do then is just discuss things in an amiable sort of way. Yet we are asked to say that that is an effective substitute for a statutory limitation of time on these powers.

The minister talks about the rule of law, and then admits that he does not understand very much about it. It was not necessary for him to make that open admission. If

parliament is to go on conferring the right of delegated legislation, then we have in fact torn the rule of law to shreds and tatters. Make no mistake about that. Some hon. members may not realize that tonight, but the day well may come when they will realize it.

We are told by the minister that the Department of Justice having reviewed the bill says that it does not find it practical to introduce a limitation on the powers, or to limit the life of the powers. Is anybody going to take that kind of statement from the minister seriously? It will be taken no more seriously than were some of the other statements by which he sought tonight to lead us along this path toward the destruction of the rule of law. Presumably this is the same Department of Justice which in 1951 approved a measure that contained a very effective time limit which is to be done away with by this bill.

Then the minister says, "We must have all the powers or no Defence Production Act at all." What a typical statement; all or none! As far as the minister is concerned, it is all or none. There is no place here for even a limitation such as parliament thought it necessary to introduce in the days of crisis in 1951. No, it is all or none; all the power or none! We know what the choice of the minister will be as between all the power or none; it will be all the power.

We have had opportunities in this house during the past decade to see what power does for people. How often I have thought of those words with which Shakespeare described Cleopatra:

> —other women cloy
> The appetites they feed, but she makes hungry
> Where most she satisfies;

The possession of power does not satisfy the appetite for power; it whets the appetite for more power. We have seen that in this government. We have seen that in this minister. The appetite has proved insatiable. Now when some powers the government has had are about to come to an end by the lapse of time the government's slogan is: what we have, we hold.

Mr. Speaker, the position of Her Majesty's loyal opposition is this, and I emphasize it again. We support the continuation on a permanent basis of the Department of Defence Production. We are prepared to give the government what powers are adequate to meet any proven existing need, or any that can be measured within the foreseeable future under present conditions, bearing in mind that parliament is never far away and can be called at any time if the government needs it. According to our view, these powers must be clearly defined and must be commensurate with a proven need. So far as we are concerned there will be no wholesale abdication on the part of parliament to satisfy a ministerial appetite for power.

May I remind the house that this legislation dates from the very time parliament passed the Emergency Powers Act. Indeed that act was passed in the same month—March, 1951. That legislation conferred upon the cabinet the most extraordinary powers, indeed everything the cabinet would derive from a proclamation under the War Measures Act except power to arrest, detain and deport the person. That legislation, however, had in it a safeguard which was thought to be wise and necessary. It was the safeguard of a short time limit, which compelled the government to come back to the house two years later and again, year after year, before it received an extension of these powers. That was a sound precedent in any case where any powers that have any reason to be described as extraordinary are voted to the cabinet by parliament.

Why should not that precedent be observed here, Mr. Speaker? You will recall that the Prime Minister on April 29, 1954, when he was asked if the government was going to ask parliament to renew those powers for another year, said this, as reported at page 4229 of *Hansard*:

> . . . we have come to the conclusion we will not at this session ask parliament to extend the Emergency Powers Act. We felt it was a grave decision to make because there is still a pretty explosive situation existing in the world. I hope the situation will not require the exercise of any but normal powers by the governor in council. But should it develop that there would have to be, in the interests of the safety of the nation, powers exercised that are not normally conferred upon the governor in council by existing legislation, we would have to resort to the War Measures Act. I sincerely hope that will never be necessary while I am a member of the government.

Every hon. member in this house will hope that it will never be necessary to invoke those powers. But note, Mr. Speaker, that a year ago, before the world situation had undergone the improvement that happily it has undergone in the intervening year, the Prime Minister then was saying that conditions had improved so far in 1954 over those in 1951 that that extraordinary legislation conferring these wide, sweeping powers could be allowed to lapse; and second, he recognized that stand-by legislation was available to meet any supreme need that might arise. How can hon. members then treat seriously any suggestion that it is now necessary to do away with the time limitation on the powers conferred by this measure? Words of this kind have a hollow ring today.

In conclusion, Mr. Speaker, I say that the issue here is deep-seated, clear-cut and fundamental. It is the issue of the rule of law and the preservation of the authority of parliament. It is not simply a matter of the preservation of the form of parliament but the preservation of the substance of parliamentary authority and rule. We will have nothing to do with the grant of powers vastly in excess of need. We will not be parties to embedding permanently in the statute law of Canada sweeping and extraordinary powers so wide that they would not need to be widened for the purpose of defence production even in the event of a third world war, according to the Prime Minister's own definition. We will not do this to indulge the government's appetite for power.

This theory of the strong executive, so far as we are concerned, must be regarded with certain limitations. The very learned author of the book entitled "The Passing of Parliament", namely Professor G. W. Keeton, dean of the faculty of law at University College, London, England, in his chapter entitled "The Road to Moscow" points out that there are three principal attributes of the Soviet system. They are as follows:

> (1) a one-party organization in which, although there is a wide power of criticism within the party, no external opposition is tolerated; (2) an all-powerful executive, which can put into effect the program decided upon by the party, without substantial impediment or modification, especially that which might emanate from an independent parliament, and (3) an economy which is moulded within the framework of a comprehensive plan, and in which all the more significant activities are government monopolies, subservient only to executive control.

Mr. Speaker, it seems to me that while the government cannot be said to subscribe to the first of those attributes except in so far as it is permitting the other place to die by neglect, nevertheless the government is going overboard in the direction of the all-powerful executive and carrying with it the danger of the third attribute, namely the organization of the economy within the framework of a comprehensive plan. That may suit the philosophy of some parties in this country such as those with a socialist view; but, Mr. Speaker, it does not suit the philosophy of the Conservative party. So far as we are concerned there are higher authorities than these; there are higher principles and higher standards to guide the legislators in the Canadian democracy. Supreme over any all-powerful executive, in our view, must stand the authority of a free, sovereign and independent parliament.

Mr. Knowles: Mr. Speaker, I guess there is nothing left for me but to move that the debate be adjourned.

On motion of Mr. Knowles the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue this debate tomorrow. Then we shall take the committee stage on Bill No. 3, respecting the construction, operation and maintenance of international river improvements, and then Bill No. 415, to amend the Canada Elections Act.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, June 8, 1955

The house met at 2.30 p.m.

HOUSE OF COMMONS

WELCOME TO POSTMASTER GENERAL ON HIS RETURN FOLLOWING ILLNESS

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, may I be permitted to say from this side of the house how very happy all of us are to welcome the Postmaster General back to his seat in the house. I feel sure he will share my own experience of the very encouraging effect that the friendly welcome from both sides of the house really does give one who has been away for some time. I think I can do no better than to extend to him my earnest hope that his recovery is as complete as mine.

PRIVILEGE

MR. DREW—RELEASE TO PRESS OF CHANGES IN NATIONAL DEFENCE DEPARTMENT

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege. An hour before the house opened the Prime Minister and the Minister of National Defence gave very important statements to the press which I think should have been given in the house while the house is sitting. I think the announcement of the retirement of Lieutenant General Guy Simonds is something that should have been announced here.

I think also that the announcement of the appointment of Air Marshal Miller as the new deputy minister of national defence is something that should have been made here. These are matters of concern to the members of this house. There are other appointments which I need not mention of considerable importance also dealt with in these statements.

We are sitting here doing the business of the people of Canada. These appointments affect very important aspects of the affairs of Canada. Naturally, at a time when the house is not sitting there is no choice but to make these statements to the press in the ordinary way. But I submit, Mr. Speaker, that it is treating the members of this house with scant courtesy to announce an hour in advance of our meeting here information of this importance. As the people's representatives we are permitted to obtain our information through the press at second hand, which we should have obtained here. I submit, Mr. Speaker, that this is a practice which should be discontinued, and that this offers another example of the disregard both of the dignity and the responsibility of parliament which should not be overlooked.

Right Hon. L. S. St. Laurent (Prime Minister): I thank the Leader of the Opposition for the tone of his remarks. Perhaps this is a practice that should be discontinued, but it is one that has been in existence since the beginning of this parliament some 88 years ago. These appointments have always been announced when they were made, and up to the present it has not been felt they should not be disclosed until they could first be announced to the house. But I am sure that so far as I am concerned, and so far as all of my predecessors and their colleagues are concerned, there never has been any intention of being discourteous to the members of the house. We will, of course, take very seriously these remarks by the Leader of the Opposition, and we will consider whether a change should be made in the matter of reporting to the house, before the public is informed of the usual permutations that take place in the civil service, even when it has become apparent that, either through speculation or otherwise, there has already been publicity in the press about the probability of their being made.

[*Later:*]

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, in view of the statement issued by the Minister of National Defence relative to the retirement of Lieutenant General G. G. Simonds, with particular reference to the reason therein given, namely, his having completed the normal four-year time as chief of staff, is the retirement of General Foulkes imminent, seeing that he has held the position of chief of the general staff and chairman of the chiefs of staff committee for practically the entire period since the war?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I think the hon. member is confusing two different positions, one of which General Foulkes did hold and the other which he now holds. When any change is made in his present position, I shall be

glad to announce it. General Foulkes was for some time chief of the general staff and subsequently became chairman of the chiefs of staff committee.

Mr. Pearkes: I realize that. The first position was held for more than four years. Surely General Foulkes was appointed to his present position when Lieutenant General Simonds succeeded him four years ago.

COMMITTEES OF THE HOUSE

Third report of standing committee on external affairs.—Mr. Picard.

Third and fourth reports of standing committee on industrial relations.—Mr. Viau.

EXTERNAL AFFAIRS

REFERENCE OF CERTAIN ESTIMATES BACK TO COMMITTEE OF SUPPLY

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That items numbered 92 to 111 inclusive of the main estimates, 1955-56, approved and reported upon this day by the standing committee on external affairs, be referred back to the committee of supply.

Motion agreed to.

INTERNATIONAL TRADE FAIR

ANNOUNCEMENT OF WITHDRAWAL OF GOVERNMENT SUPPORT

Right Hon. C. D. Howe (Minister of Trade and Commerce): I wish to make an announcement about the government's decision regarding the future of the Canadian international trade fair.

The trade fair was established by the government at the end of the war to promote Canadian trade. It was hoped that Canadian producers would take advantage of the opportunity to exhibit their wares to buyers from other lands. Equally important, it was hoped that the people from other lands, particularly from overseas countries which were striving to reconstruct their war-shattered economies, would use the fair to re-establish themselves in the Canadian market. This was to be a truly international trade fair, based on the principle that trade is a two-way street.

In many respects the Canadian international trade fair has been an outstanding success. I am sure those hon. members of the house who have visited the eighth fair now being held in Toronto will bear me out as to the excellence of the administrative arrangements and the attractiveness of the exhibits.

The government is also satisfied that the fair has played an extremely useful role in the re-establishment of overseas countries in the Canadian market. The fair has been used by many overseas manufacturers, not only to establish trade connections in Canada and in the United States during the post-war period, but it has become the means of inducing a good many foreign and commonwealth companies to establish plants in this country.

However, in spite of the unremitting efforts of the trade fair administration and of the Department of Trade and Commerce generally, the fair has not lived up to expectations as a medium for the direct promotion of Canadian exports. Three or four years ago, in response to an appeal from me that the fair would close unless there was a greater measure of Canadian participation, Canadians did exhibit in greater numbers. But enthusiasm soon waned, and in this year's fair Canadian participation, apart from prestige exhibits by some very large Canadian companies and provincial and municipal exhibits, is very limited indeed. The conclusion one must draw from the experience of the past eight years is that a trade fair of the kind we have been running in Toronto is not of much value to Canadian exporters.

On the other hand, while the fair has made an outstanding contribution to the re-establishment of overseas countries in the Canadian market and thus has indirectly aided Canadian exports, it does not appear to have fulfilled the hopes of those who believed that the fair could become a more or less permanent market place. Our experience has been that, to a large extent, overseas exhibitors use the fair to make initial contacts in Canada and then turn to other methods of trade promotion which are more natural to the Canadian environment, including exhibitions in other fairs such as the Canadian national exhibition, as well as industry exhibitions of one kind or another. In the post-war period it was highly desirable to have a fair just for this purpose of repairing commercial connections. On the other hand, this does not seem to offer a solid base for an annual trade fair under government auspices and with government financial support.

For these reasons the government has decided that the Canadian international trade fair has fulfilled its purpose and fulfilled it well and should now be discontinued.

This decision will, I know, cause some disappointment. I can assure the house that there is no change in the government's view as to the desirability of stimulating two-way trade with our customers. The trade fair was one of Canada's main contributions to this end during the post-war period. It has been an outstanding success. We shall now bend our efforts in other directions and I hope with the same success. For example,

the Canadian government will this year be exhibiting in 15 trade fairs, and exhibitions of one kind and another in 13 different countries. In this competitive world we cannot wait for the customers to come to us; we must carry our merchandise to the buyer in his country, just as we expect that he will continue to bring his merchandise to Canada.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, the minister has made a statement that, I take it, was at least in part prompted by the question I asked him on this subject several days ago. The international trade fair has been an extremely useful institution in these recent years. It has been a good advertisement for Canada. It has helped to create good will for Canada with other countries, and it has provided a meeting place not only for private citizens engaged in trade but also for officials at government levels from various countries with which Canada seeks to stimulate her trade.

I should like to express regret that the government has found it necessary to reach the decision the minister has announced today.

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Minister of Trade and Commerce, based on the statement which he has just given to the house. In view of press reports of the success of the fair in relation to imports into Canada and the fact that sales opportunities have increased, can the minister state whether or not the high-priced Canadian economy has anything to do with the reason for discontinuing the trade fair?

Mr. Howe (Port Arthur): Mr. Speaker, the trade fair is being discontinued on the recommendation of my trade officers and after consulting a good many Canadian businessmen and commercial organizations.

Mr. J. H. Ferguson (Simcoe North): May I ask the minister whether the province of Ontario has contributed anything toward the fair?

Mr. Howe (Port Arthur): No.

Mr. Ferguson: May I ask a supplementary question? If the province of Ontario were willing to contribute a substantial sum of money, would the federal government reconsider its decision not to continue the trade fair? I know definitely that a large number of industries from Europe were brought to the trade fair. They are now established and are doing very well. They are producing products that were not produced here before. There is no doubt that the trade fair has been tremendously beneficial to Canada from one end to the other. Since it has created labour opportunities, it is a shame to close it up. Ontario could well afford to contribute substantial sums of money to keep this fair open. Possibly the federal government could afford to spend a substantial sum of money in association with the provincial government because the fair has benefited all of Canada and not only the province of Ontario. I repeat, the province of Ontario could well afford to contribute to the fair to keep it running. Would the federal government reconsider its position if the province of Ontario were to offer assistance?

Mr. Howe (Port Arthur): Mr. Speaker, although the expense of operating the fair is considerable, that is not the reason why it is being closed. Replying to my hon. friend's question, I may say that if the Ontario government is interested in continuing the fair we shall be very glad to deliver the fair to them as a going concern, with all the equipment that has been accumulated over the years and with such technical assistance as the Department of Trade and Commerce can offer.

Mr. Ferguson: That is a very generous offer. The province of Ontario could well afford to contribute toward keeping the fair going.

QUESTIONS

R. F. WELCH CONSTRUCTION COMPANY

Mr. Diefenbaker:

1. How many extra gangs of the R. F. Welch Construction Company (British Columbia) Limited are at this day working on all divisions of the Canadian National Railways?
2. What is the total number of employees in all of said extra gangs?

Mr. Langlois (Gaspe):

The Canadian National Railways advise as follows:—

As of May 24, 1955—

1. 20.
2. 558.

OLD AGE ASSISTANCE, NOVA SCOTIA

Mr. Balcom:

What amount was paid to residents of Nova Scotia for old age assistance in the year 1954?

Mr. Martin: For the fiscal year 1954-55 federal payments to the province of Nova Scotia on account of old age assistance amounted to $1,063,165.10, being 50 per cent of the total amount paid to recipients.

Defence Production Act

MOTION FOR PAPERS

CANADIAN PACIFIC RAILWAY—USE OF WORD "ROYAL"

Mr. Diefenbaker:

For a copy of all correspondence, letters, telegrams and other documents, since January 1, 1954, which have passed between the Canadian Pacific Railway, or any person for and on behalf of the railway and any department of government, including any letters written by any official of any department of government whether in answer to previous correspondence or not, concerning the use of the expression "royal" by the Canadian Pacific Railway.

Mr. Pinard: I table the return forthwith.

LABOUR CONDITIONS

UNEMPLOYMENT—INQUIRY AS TO DATE OF DOMINION-PROVINCIAL MEETING

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to ask the Prime Minister if he can say whether a date has been set for the federal-provincial meeting of cabinet ministers and whether at that meeting, in addition to discussing the method of unemployment relief, there will be discussion as to the timing of joint works projects in order to overcome unemployment.

Right Hon. L. S. St. Laurent (Prime Minister): In reply to the first part of the question, may I say that no date has yet been set. I am meeting with some of my colleagues and officials this afternoon to go over the information which has been received from the various provincial governments bearing upon the volume of relief that was extended by the provincial governments and the municipalities during the last few years.

With respect to the second question, I do not anticipate that there will be anything more considered at the forthcoming meeting than the matter which was reserved for discussion at that meeting, namely, some system of sharing in relief that might be necessary for unemployment as well as handicapped and other needy persons.

DEFENCE PRODUCTION ACT

AMENDMENTS RESPECTING SALARY OF MINISTER AND EXPIRY OF ACT

The house resumed, from Tuesday, June 7, consideration of the motion of Mr. Howe, Port Arthur (for Mr. St. Laurent) for the second reading of Bill No. 256, to amend the Defence Production Act.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am sure the house will be glad, as I am, that the second opposition speaker in a debate of this kind does not have unlimited time. If I may say so, I think the hon. member for Eglinton (Mr. Fleming) would have done better last night had he tried to make his remarks in something less than the 101 minutes which he took, at the end of which he failed to tell us how his party is going to vote on the motion now before the house.

Mr. Fleming: I thought I made it perfectly clear to everybody that we intend to vote against the bill.

Some hon. Members: Time.

Some hon. Members: Oh, oh.

Mr. Knowles: Mr. Speaker, how many more minutes does the hon. member get?

Some hon. Members: Time.

Mr. Speaker: Order.

Mr. Knowles: I do not blame hon. members opposite for their interjections, but I am sorry I did not hear the hon. member for Eglinton. Maybe he told us in the half minute he was now speaking how his party intends to vote. At any rate—

Mr. Ferguson: May I remind the hon. gentleman—

Some hon. Members: Oh, oh.

Mr. Ferguson: —that no one man speaks for this party; we speak for ourselves.

Mr. Knowles: I gather from the interjection of the hon. member for Simcoe North (Mr. Ferguson) that the members of the official opposition may vote both ways on the motion.

An hon. Member: Would there be anything new about that?

Mr. Knowles: As a matter of fact, that would be the logical conclusion from the speech made last night by the hon. member for Eglinton. He spent a great deal of time —101 minutes to be exact—railing against the government and against the Minister of Defence Production in particular, and railing against the bill that is before the house. But toward the end of his speech, in one of his many attempts to conclude his remarks, he said:

Mr. Speaker, the position of Her Majesty's loyal opposition is this, and I emphasize it again. We support the continuation on a permanent basis of the Department of Defence Production.

Well, if they support the continuance of the Department of Defence Production on a permanent basis, that is exactly what this bill calls for, and I presume therefore they will vote for the second reading of the bill.

Of course, true to Eglinton form, the hon. member went on and said:

> We are prepared to give the government what powers are adequate to meet any proven existing need, or any that can be measured within the foreseeable future under present conditions, bearing in mind that parliament is never far away and can be called at any time if the government needs it. According to our view, these powers must be clearly defined—

And they are defined in the bill, as a matter of fact—

Mr. Fleming: That is not part of the quotation.

Mr. Knowles:

> —and must be commensurate with a proven need. So far as we are concerned there will be no wholesale abdication on the part of parliament to satisfy a ministerial appetite for power.

Those sentences, Mr. Speaker, are like the whole speech; they are so wordy that one cannot be quite sure what they mean. But I admit that in those latter sentences there is a possible basis for a vote against the measure, as there was in the first sentence I quoted a moment ago a possible basis for a vote for the measure. So our hon. friends of the Progressive Conservative party are once again going both ways.

Mr. Ferguson: Good old socialism.

Mr. Knight: At the same time.

Mr. Knowles: There was a great indulgence in words last night. All the clichés were trotted out.

Mr. Sinclair: Hear, hear.

Mr. Knowles: The Minister of Fisheries is wrong so often that I am beginning to wonder if there is not something wrong with what I am saying, in view of his endorsation of my remarks.

An hon. Member: Well you might.

Mr. Knowles: Despite that concern, I would point out that we were told last night that we must not stand for concealment, that we must not stand for secrecy, that we must not stand for any infringement of the rights of parliament, and that we must not stand for any curtailment of the principles of freedom. Yet what we are doing is not being done behind closed doors. There is no concealment about it; there is no secrecy about it. We are right out in the open, dealing with a measure to lay down the rules and to lay down the basis under which defence purchasing will be done. So far as we in this party are concerned, we believe in responsible government; we believe in parliament laying down the rules for the executive departments of government to follow. That is what this bill does. This bill does not leave the question of defence purchasing in a vacuum. It lays down the rules by which defence purchasing will be carried on.

We think it is the responsibility of parliament to lay down these rules. If there are some clauses in the bill that hon. members do not like, it is their responsibility when we reach those clauses to move any amendments they may feel to be necessary. But to oppose the whole proposition of there being a set of rules, of there being a statute to govern defence purchasing, is, I suggest, the height of irresponsibility. If the hon. member for Eglinton meant in his 101-minute speech last night that his party was going to vote against this measure, I ask them: What is their alternative? How do they propose that defence purchasing should be handled?

Mr. Fleming: It was said very plainly last night but apparently you did not listen. It was said about three times.

Mr. Knowles: Mr. Speaker, I remember listening with great pain to every word that the hon. member uttered last night, and even though it was adding to the pain I looked through his speech again today in *Hansard*. I still say that if he is opposed to defence purchasing being carried on by a department regularly established by a statute, he has not presented any alternative. I hope some speaker in his party who will be limited to 40 minutes will be able, in that lesser amount of time, to tell us what alternative the Progressive Conservative party has unless, of course, in the end they are really going to vote for second reading after all.

As I see it, Mr. Speaker, the truth of the matter is that the bill will continue to repose in the elected government of the country, a government responsible to the people of Canada, the power to direct and, if necessary, to control industry in the national interest.

Mr. Trainor: Excellent socialist doctrine.

Mr. Knowles: And that is what my hon. friends of the Progressive Conservative party do not like.

Mr. Ferguson: Hear, hear.

Mr. Knowles: When they rave and prate about freedom what they mean is freedom for private industry.

Mr. Ferguson: Hear, hear.

Mr. Knowles: The minute they see any government, even if it is a private enterprise government, bringing in legislation that proposes some direction of private industry in the name of the people, boy, they trot out all the words, all the clichés and use all the

time they can to rail against such a proposition. The hon. member for Eglinton had great pleasure last night quoting various remarks that have been made about this legislation by the Minister of Defence Production (Mr. Howe) as well as by others. I was waiting for the hon. member for Eglinton to give certain quotations from the Minister of Defence Production which he seemed to overlook. I am sure he is not unaware of these remarks of the minister because they were made at an earlier stage in the debate on this measure in response to questions asked by the hon. member for Eglinton. I refer to statements made by the minister as recorded on pages 1993 and 1994 of *Hansard* of March 14, 1955. In answer to one question that the hon. member for Eglinton put to the Minister of Defence Production, the minister said:

> In the last war there was great pressure for textiles that were needed to clothe the troops. One particular textile mill refused to make cloth for the services on the ground that it did not like to do business with the government. It had the facilities and should have contributed its bit to the government program but it was more profitable for that mill to refrain from government work and to serve the domestic market which was also short of material.

When the hon. member for Eglinton objected that that was an example from the days of world war II and the minister should get up to date the minister said this:

> But it might occur tomorrow. For instance, we are going into the far north to build a great project under conditions of considerable stress. Suppose our steel fabricating companies say, "Sorry, we do not like that type of work; we are going to use our facilities to build something else".
>
> I maintain that we have a right to insist that those facilities be used for that early warning line which we believe is urgently needed, whether the steel companies prefer to do something else or not.

Then over on page 1994 the Minister of Defence Production is recorded as saying:

> I seriously suggest that I can think of firms in Canada—not in the steel fabricating business—that I would not be too sure would willingly give up their domestic business in order to do defence production business.

As I say, Mr. Speaker, the hon. member for Eglinton, who had unlimited time and could have quoted at length, did not bother with these quotations from the Minister of Defence Production which point out the need in the national interest for legislation of the kind that the government now asks parliament to keep in force. Of course the hon. member for Eglinton was not here in 1939 so he would not be expected to quote from anything the Minister of Defence Production said on that occasion. But it is relevant to the question before us, and I think we should remind ourselves of what the then minister of munitions and supply said in reply to a question from the then member for Weyburn, now premier of Saskatchewan, the Hon. T. C. Douglas, as reported at page 179 of *Hansard* for September 12, 1939. This is what the minister said:

> The provision of 5 per cent was put in the last act after a good deal of consideration as a minimum return for the service rendered, but it was one which men of considerable experience believed to be unworkable. I can say to my hon. friend that from that day to this the defence purchasing board has done its very best to place contracts on that basis and has used every pressure that could be brought to bear in the form of patriotism and so on, but to date it has not succeeded in placing a single contract on that basis.

Mr. Gillis: 1939.

Mr. Knowles: These statements I have quoted, which seriously condemn the ethics of private enterprise, are not remarks that we socialists make on street corners. These are statements made on the floor of the House of Commons by the Minister of Defence Production. If he feels there are circumstances such as these with which the government must be in a position to cope in the national interest, I suggest it is the height of irresponsibility for the member for Eglinton to say that the government should be denied this kind of legislation.

I could not help but feel that a good deal of the 101-minute speech of the hon. member for Eglinton last night was by way of a personal attack on the Minister of Defence Production. I do not blame him for that. I have had occasion to attack the minister frequently during the past 13 years, and I shall probably continue to do so as long as he and I are both here. But, Mr. Speaker, I cannot help but think that if that same Clarence Decatur Howe, instead of entering parliament, had remained in private industry and had become a great captain of industry with great powers, able to influence and direct great sectors of our country's economy, able to push men here and there and do all sorts of things as a great captain of industry, he would have been a hero in the eyes of the Tory party.

Mr. Fleming: Not a chance.

Mr. Knowles: But when he wields power in the name of democracy on the basis of responsibility to parliament and responsibility to the people, oh no, that is a different story. He is interfering with the great basic concept of freedom because he enunciates the principle that the national interest should come before the interests of private firms. That is the position of my Tory friends.

Mr. Ferguson: You will be a new senator soon. You will be in the Senate all right.

An hon. Member: That is all you think of.

Mr. Knowles: We have had a lot of nonsense from my friends to the right and we are still getting it.

Mr. Lennard: There is more truth than poetry to it.

Mr. Knowles: The hon. member for Eglinton had a great deal to say about controls in his remarks last night. He and his friends do not like controls over industry when they are put into effect by parliament, by the government, by the people of this country through their elected representatives. But I have yet to hear a hue and cry from the hon. member for Eglinton or from any Tory in this house or out of it against the way in which private firms, private individuals, the heads of great corporations and boards of directors control and influence the economy of this country. Thousands upon thousands of Canadian workers have the question of whether or not they will be employed determined, not by the elected representatives over whom they have some control but by the individual heads of great corporations.

Mr. Trainor: They know how to do it.

Mr. Knowles: Here is the hon. member for Winnipeg South with an interjection that they know how to do it. In other words, he is saying he does not believe in democracy. He would rather have the country run by these people who, he says, know how to do it, rather than by elected representatives responsible to the people. Not only do the same captains of industry, who have no responsibility to parliament and no responsibility to the people of this country, determine the extent to which there will be employment or unemployment, a livelihood or a lack of livelihood for thousands of Canadians, but they are wielding a tremendous power with respect to the natural resources of this country.

We have no control over companies like the Quebec North Shore and Labrador Railway or the Hollinger interests or the Aluminum Company of Canada, the pulp and paper outfits or the timber companies. This country is rich in natural resources, mineral and timber and so on. Surely these resources really belong to the Canadian people, to those who are here now and to generations yet unborn. But whether or not the generations yet unborn will reap their heritage of these resources is determined to a large extent by private interests outside of this parliament and in many cases outside of this country so far as their ownership and direction are concerned. If my hon. friend wants to rail against controls, wants to rail against the wielding of great power over the lives of Canadians, there is a field for him to get into instead of levelling all of this at a man who, for all his faults—he has them and he knows it as well as I do—at least is a member of parliament, a member of the cabinet responsible to parliament and responsible to the people of this country.

We believe in responsible government. We believe that the affairs and the economy of this country should be run in the national interest and that it is important that parliament, on behalf of the people, should have the say in economic activities of all kinds, particularly where the national interest is involved as in the case of defence purchasing. Now, Mr. Speaker, the hon. member for Eglinton did not bother in his lengthy speech to face up to the question as to the issue—

Mr. Ferguson: It was 105 minutes.

Mr. Knowles: It was 101 minutes; he started at 8.19 and quit at ten o'clock.

Mr. Ferguson: I certainly wish I had been here.

Mr. Knowles: The hon. member for Simcoe North is luckier than he realizes.

What is the issue that is before us? The question is, how will defence purchasing be handled? Is it to be by order in council? Is it to be handled in some vacuum without any arrangements or regulations whatever, or is it to be done by a department with the rules and regulations of that department laid down by parliament? We think that—

Mr. Fleming: They will not be laid down by parliament under this bill.

Mr. Knowles: My hon. friend still believes he is debating the emergency powers measure.

Mr. Fleming: You have not read the bill.

Mr. Knowles: Yes, I have read the bill. Not only did I read the bill, but the hon. member read most of it to us last night.

Mr. Fleming: I had better read it to you again.

Mr. Knowles: My hon. friend thinks he is still debating the Emergency Powers Act which did have in it undefined powers. He and the hon. member for Prince Albert (Mr. Diefenbaker), as well as we in this party, complained against the Emergency Powers Act. What we complained against was that its powers were undefined. We said that any powers to be given by parliament to the government should be specific, should be defined, should be spelled out, and that is what we have in this legislation that is now before us. But the hon. member for Eglinton does not seem to realize we are dealing with a different piece of legislation.

Mr. Speaker, we will deal with the matter of the extent of our defence expenditures when we come to another subject. It may be possible, in view of world conditions and the efforts of the Secretary of State for External Affairs (Mr. Pearson) and others, to reduce defence purchasing one of these times. I certainly hope so. But even if we do achieve a reduction in defence purchasing to whatever extent may be possible, it will still be necessary to have a department to do the purchasing. We feel, therefore, that this department of government should be continued. We want the government to do something about health and welfare. We do not leave it to the cabinet in a vacuous state, we set up a Department of National Health and Welfare. We want the government to do something about agriculture, so we set up a Department of Agriculture and we lay down rules and regulations. The trouble with that department is the minister seems to find ways of getting around those rules and regulations. If we want something done about labour matters, we set up a Department of Labour. I submit that one could go down the list, and if we feel there is a need for defence purchasing we have to have a Department of Defence Production. So far as parliamentary control over the matter is concerned, I may tell the hon. member for Eglinton that we can deal with it on the estimates, and unless we do parliament is not on the job.

He wants a time limitation in the bill. He did not state how many years or what length of time. I suggest it is parliament's job not just to say we will turn these powers over and we will review them in two, three, five or ten years. No, it is parliament's job to maintain a constant scrutiny of a department of this kind. It is parliament's job not only to examine the expenditures of the Department of Defence Production, but to examine closely the expenditures of the Department of National Defence. A good deal of public money is spent in making purchases through the Department of Defence Production.

Mr. Trainor: How much chance is there of that?

Mr. Knowles: My hon. friend wants to know how much chance there is of that. Instead of spending so much time opposing measures of this type, it would be better if we were to spend the time examining the estimates of this department and other departments. In fact I feel, and I make an appeal to the house leader, that at the next session of this house this whole department should be referred to the committee on estimates.

I believe it is obvious from what I have said that, although the hon. member for Eglinton spoke at great length last night without ever saying which way his party was going to vote, we believe in responsible government. We believe that this sort of thing, defence purchasing, should be done by a department responsible to parliament, with rules and regulations laid down by parliament. Therefore, although we may have some suggestions to make when we get into committee on the bill, we intend to support second reading of this measure.

Mr. Solon E. Low (Peace River): We look upon the bill that is now before us as a very grave and important measure, Mr. Speaker, and one which we view with considerable concern. I hope that the gravity with which we view the bill, and one of its provisions at least, will not be judged by the length of the speeches which we make. We cannot, of course, hope to compete with the hon. member for Eglinton who spoke last evening, and who made what I thought was a very long speech. The rules of the house, of course, forbid our carrying on that long.

Mr. Knowles: That is one good rule.

Mr. Low: Perhaps it is a good rule. I feel that the hon. member who has just interjected has spoken, if not so long at one time, very often and fairly long at each time. So I think he should have no complaint about the length of the speech given by the hon. member for Eglinton (Mr. Fleming). If you just multiply 40 minutes by a sufficient number you can get easily an hour and 40 or 50 minutes. I just draw that to the attention of the hon. member for Winnipeg North Centre (Mr. Knowles) because he made quite a point of the length of the speech by the hon. member for Eglinton.

Mr. Knowles: I did not mind its length. I just wished he would tell us where he stood.

Mr. Low: I do not think it is necessary in connection with this bill, especially after the case put up by the hon. member for Eglinton, to speak at great length. So far as the arguments are concerned, I think the hon. member did not leave much to be said. Furthermore, I find myself in substantial agreement with the position he took on the bill. It may be that the hon. member did not state specifically how he and his party would vote on the motion for second reading. I do not suppose any one of us can tell; and it is none of our business, anyway, until the vote is taken.

But on March 14, at the resolution stage of the bill, I think that all on this side of the house took a reasonable position and made

a reasonable request of the Prime Minister (Mr. St. Laurent) and the Minister of Defence Production (Mr. Howe). The stand we took then is exactly our position today; and I wish to put that categorically so that there will be no misunderstanding. I assure the hon. member for Winnipeg North Centre that before I sit down I will tell him where we stand on the vote to be taken shortly—at least I hope shortly.

In the first place we support the provisions of clause 1 in the bill. In my judgment it is only right that the salary of the Minister of Defence Production should be in line with those of other ministers. It appears that at the time of the revision of the Salaries Act some action was taken; and we have no objection at all—in fact we want the Minister of Defence Production, so long as there is a separate minister, to have a status in keeping with that of his colleagues in the cabinet. So that there is no quarrel in that regard.

In the second place we are in agreement with the minister when he says that the Department of Defence Production should be made a permanent part of our government set-up. We agree that the employees of his department should be able to count on something like permanent status. I can understand how unsettled they might be without a status that could be considered permanent. It is only right therefore that they be permitted to count on such permanent status. As Canada grows in population and in prestige, in what has become an unsettled world, our security will be more and more bound up in an efficient Department of Defence Production.

Let me hasten to say that I do not make that statement because I think in terms of war. I do not. Nor do I make the statement because of any belief that we have no hope of achieving peace in the world. I do say it however because the facts of the world situation tell us quite plainly that we are going to have to make almost constant defence efforts and preparations perhaps for many years to come. Even if peace does come—and I sincerely hope and pray that it will, and very soon—we will not even then be able completely to relax in our defence efforts. Nor can we hope to depend upon other countries to do our defence producing for us. And so we support the minister in his request that the department be made, looked upon and considered in every respect as a permanent part of our government set-up. We do express the hope, of course, that the time will come, and come speedily, when that department will not need to be as busy as it has been and as it is now. And I would expect that if such time should come soon, good sense would prevail, the powers that are in the Defence Production Act would not be invoked, and that no one would expect to make them permanent so that they could be invoked.

The third important point is this: We believe that the minister and his department should be clothed with powers sufficient to enable them to furnish Canada with all the materials needed to secure us as best we can be secured. We realize that the powers as set out in the act of 1951 are very broad and very sweeping, and to anyone unaccustomed to considering the transfer of such powers to government they appear a bit frightening. I do not think that at any time during the emergency of war this parliament and its members have looked upon the transfer of such powers as are outlined in this bill with anything but grave misgiving—even in a time of war and stress.

How, then, should we look upon them now, in a period, not of war, but surely one of great danger, but not one considered to be of great emergency? I think we can all be excused for looking upon such transfer with some misgivings, and not with the apparent joy with which the hon. member for Winnipeg North Centre seems to view the transfer. Once those powers are transferred on a permanent basis, as a parliament we could exercise no effective check over them.

I draw my hon. friend's attention to the growing number of items in the estimates that come before us from time to time bearing the notation "S", with a circle around it. When we are in committee of supply and reach one of those items, what do we do? We leap right over it, for the simple reason that these are statutory provisions, clothing the minister of the department with powers this parliament has no right to question. And that is something to which I believe careful attention should be given.

Any time anyone says that all we need to do is exercise vigilance, I would say to him that all the vigilance in the world will not exercise a check on those powers permanently transferred by statute, because by statute they are given, and only by statute can they be returned. And if a majority sits in the House of Commons and refuses to bring in a statute for their return, or to support such a move, then how in the name of common sense can any vigilance be exercised or any review be made of such power which in any way could be considered effective?

I ask the hon. member for Winnipeg North Centre to consider that, when he says so glibly that he is not afraid. Let me point

out that it is easy, in any country that seeks this, to build up at some time or other what the hon. member for Eglinton last evening described so well as a compulsion of fear. And I say to the house that there are certain parts of our country where there is compulsion of fear, and where that compulsion of fear can be exercised in unrighteous ways and in ways that are good for the government but certainly not good for the people.

All one has to do is to travel through the province of Saskatchewan today to find out about compulsion of fear. All he has to do is hear some of the businessmen in that province talk about the fear under which they have to carry on, and how unsettled they are.

Mr. Campbell: Baloney.

Mr. Low: The hon. member says "baloney"; I expected some such interruption as that. But I have travelled through there, and—

Mr. Campbell: Tell me one merchant who said that.

Mr. Low: I have travelled through that province; I have talked to many people. They have given me that statement, that they do live under compulsion. Why is that? It is because the government has unusual power. Consider some of the acts they have put on the statute books of the province—and I am thinking particularly of the crown corporations act.

Mr. Speaker: Order. Perhaps I might interrupt to say that the debate should not deviate into a discussion of provincial affairs. If that were permitted we might have a lengthy argument.

Mr. Low: I ask your forgiveness, sir. I was led away by the statement that was made by the hon. member for Winnipeg North Centre (Mr. Knowles), and I merely wanted to use evidence to cement the thing that I had said. I will respect your wishes, sir, and will not deal with that any further.

Mr. Knowles: Will the hon. member permit a question just to get him back to his own line of thought?

Mr. Low: Yes.

Mr. Knowles: Does he know how many items there are in the Department of Defence Production that are marked statutory?

Mr. Low: No.

Mr. Knowles: Only one, the minister's salary.

Mr. Low: I could not say. I did not say the Department of Defence Production. What I did say was a growing number in the estimates, and it is a growing number, and year after year you will find more and more of those statutory provisions. Those statutory provisions represent a straight give-away by parliament of powers which we cannot exercise. It is just a question of vigilance.

Mr. Fleming: There are only seven items for the whole department.

Mr. Low: One out of seven is a very fair percentage. However, it is difficult for any of us to say with any degree of assurance that we are right; that the powers as set out in the act of 1951 are excessive to the needs of the government today. I would not like to say so at all. I know, as I said, they are broad and they are sweeping and they are such as to make it possible to create that compulsion of fear in the country. But at the same time I say it may be that the situation in which we live is such as to demand those. I would not like to say to my hon. friend the minister that I believe they are excessive at all. I do not believe they are excessive at all in times of emergency or of great danger. In times of war or in times of strong threat of war, I believe the Department of Defence Production requires vast powers. We have recognized that in times past and we have given vast powers for the reason that we expect them to act quickly and effectively, and they must have them if they are to work fast and effectively. In time of danger parliament has granted more powers, even more powers than may be used; for in my judgment there is always uncertainty about what the department and the government might have to deal with.

War is not what it used to be by any means. In these days no one is inclined to abide by the Marquis of Queensbury rules with respect to war. As the minister said last night, we do not have the leisure or the time these days to get ready for war. It simply strikes like lightning, fast, and in most unexpected ways and places. Therefore we are not inclined to beef too much about the powers in the bill of 1951, although one contrasts, and cannot help contrasting, the powers in the Canadian bill with those in the British bill.

I draw your attention to the contrast which was made last night by the hon. member for Eglinton (Mr. Fleming). When one looks at those and makes a comparison he finds that the powers in the Canadian act do appear to be excessive. Would the minister or anyone else say that the United Kingdom government has been any less efficient in preparing for defence than we have been? I should like to have a statement on that. It appears to me that the United Kingdom has been most efficient and has done a good job, and one

does not hear any complaints about it. When you go back to the days of the Labour government in Britain you find that they did not resort to the kind of transference of powers to any department that we have here, and that we are asked to make on a permanent basis.

The minister admitted last night that there are powers in the Defence Production Act which he has never used. Probably he will never have to use them. I sincerely hope not. I hope he will get that kind of co-operation in the Dominion of Canada that will make it unnecessary for him to use those powers. When it is essential in the interests of our security to invoke those powers, then we think they should be made available to him to use. We are not kicking about that. Our position in this respect was well put by the hon. member for Lethbridge (Mr. Blackmore) on March 14, when we were discussing the resolution. I just wish to quote briefly what he said as recorded at page 2003 of *Hansard:*

> What conceivable chance has the opposition of obtaining a review of this act once it is passed and goes into the records? What assurance have we that 10 years from today there will be in charge a man who will be as sane, as wise and as responsible as the present Minister of Trade and Commerce? I do not hesitate for a minute to say that I think what the Minister of Trade and Commerce has done, with the tremendous powers he has had during the last few years, has been admirable. I do not see how a man could have done any better. But let me say this. We do not often find a man like the Minister of Trade and Commerce; we do not find more than one in about every million. We therefore must take precautions to see that the country shall be reasonably safe no matter what kind of minister gets into that position.

I say amen to that. We cannot always count on having the same kind of person in the department as we have now. Therefore we must be careful. That is as far as the agreement with the minister goes. But when he asks today that the powers in the defence production bill of 1951 be made permanent or continuing powers, then we have to part company with him.

Both the minister and the Prime Minister have said, in different ways it is true and at different times, that there are powers in the bill that should not be continuing powers. Why then does the Prime Minister, who introduced this measure, ask that section 41 of the act be repealed? Section 41 is that section of the act which terminates the unusual powers in the midsummer of 1956. Neither the Prime Minister nor the Minister of Defence Production has advanced one single good reason why the unusual powers should be continuing or permanent powers; not one. I listened with great interest to what the minister said last night, and I read over again what he said and marked it in *Hansard* so that I would not make any mistake. He did not give one single good reason to show why he needed to have those powers made continuing or permanent powers. He did convince me with his logic that the department should be made permanent, and we agree with that. But, as I say, he did not give one single good reason to help us to believe that these unusual powers in the act should be made permanent and continuing powers. I searched carefully through what the minister said yesterday and I could not find a single thing that would make me believe that I should vote for the repeal of section 41 of the act, except of course that the department should be made a permanent one and that the employees should be given permanent status.

I have already said that we are prepared to support the two things that the minister has asked for, namely, permanent status for the department and permanent status for his employees. But we are unalterably opposed to any action of this parliament to give permanent status to the powers that should only be given to a minister or a department in times of emergency and great danger, and for those times. We made that quite clear on March 14, too.

While we were considering the resolution we thought, from what the Prime Minister said at that time, we had some reason to believe the government would bring in some amendment to the bill before it was taken up again, which would make it necessary for the government to bring this act before parliament periodically for complete review. After three months we are now told by the Minister of Defence Production (Mr. Howe) that he wants the bill as it is or not at all, which means that he has closed his mind to the reasonable request we made on March 14.

We have not heard anything from the Prime Minister, and I am wondering why, as did the hon. member for Eglinton. I think the Prime Minister should make a statement on this bill and tell us why in the three months that he has had to consider the matter he did not bring in some provision to successfully replace section 41 and make it mandatory upon the government to bring the act in for periodical review by parliament so we could have a check on it.

We have heard nothing from the Prime Minister and I suppose we must assume from that that our request for inserting such a provision in the bill as I have suggested, a terminal provision or a provision requiring that it be submitted periodically to parliament for review, is not to be met and that he has closed his mind on that matter as well.

I speak for my group in this house when I say that we have approached this whole matter with a view to finding out what is right. We believe that it is right that parliament should never delegate powers to any individual, group of individuals or department without surrounding the granting of those powers with adequate checks and balances as insurance against the misuse of the powers. I think that that is the principle of the rule of law and the supremacy of parliament. We believe that this parliament is the repository of all the sovereign authority of the people of Canada and therefore we have no right to dispose permanently of any of those powers. Even if we hand over powers only on a temporary basis we are obligated not to do so without a provision for terminating the grant or the requirement that parliament be given an opportunity to review and to make full scrutiny of the way in which the powers have been used.

That is what we want now. I think our request is reasonable and fair. What is the right thing for us to do on this motion for second reading? I think the right thing for us to do would be to support those things which the minister requires and which are right, but also to serve warning that when the bill is in committee we will move for the deletion of clause 2, which repeals section 41 of the act, and offer an amendment to make it mandatory upon the government to bring the act back to this house for complete periodic review and scrutiny. We are unalterably opposed, may I repeat, to the granting to the minister and his department of unusual powers on a permanent basis, and against that we will continue to fight.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, I listened with keen interest last night to the remarks of the hon. member for Eglinton (Mr. Fleming) and today I listened with interest to the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Peace River (Mr. Low). I find myself somewhat in agreement with the last speaker with reference to certain things in this bill which has been moved for second reading on behalf of the Prime Minister (Mr. St. Laurent).

I am surprised that the Prime Minister has not been in the house during this debate. I realize his responsibilities are great, but I can think of no greater responsibility after having moved this motion than to be here to safeguard the rights of parliament which, in the years that have passed, have been championed so often by those who sit to your right.

I observed that the hon. member for Eglinton spoke at some length and with some enthusiasm about this issue as it concerns parliament itself, as it concerns the rights of members, and as it concerns the rights of the Canadian people. The hon. member for Winnipeg North Centre said that the hon. member for Eglinton had spent 101 minutes. I have been in this house for a long time and in the last 30 years in this parliament I have never known anyone who has talked so much and so long and said so little as the hon. member for Winnipeg North Centre. During the last session he spoke over 700 times. One week I observed that during the five days he spoke 30 times. I sometimes think that as he belongs to a party that will never have the responsibility of government he feels that he can talk as long as he wants and say as much as he wants, as often as he wants.

I cannot quite understand the admiration he has for the Minister of Trade and Commerce (Mr. Howe). He was almost offering bouquets to the government today. I have heard the hon. member in the past speak quite differently, when he was more critical of the government than he was today. This seems to suit the hon. member for Winnipeg North Centre quite well. He says that if the Minister of Trade and Commerce had been in business he could have shoved men around. How he could have shoved men around! Now he wants to lay down legislation so that someone in the minister's place can shove all men and all industry in Canada around. They are not satisfied to be just a little dictator in connection with one industry; they would like to nationalize all the industries of Canada.

I have great regard for the Prime Minister, who has moved this motion, and I have keen regard for the Minister of Trade and Commerce. I realize that the Minister of Trade and Commerce has had long experience in engineering. Since I have been in this house I have become convinced that there are two professions, that of Your Honour, the law, and that of engineering, which are best fitted for parliamentary service. A lot of engineering must be done in political tactics and careful observation must be given to see that the rule of law is maintained.

The Minister of Trade and Commerce has rendered good service to this country. In fact he almost became a hero in the wartime boom. His ability is undoubted and indeed his integrity is unchallenged. He has been a most fortunate and happy victim of favourable circumstances so far as prosperity is concerned.

There is another thing I want to say about this bill. The Minister of Trade and Commerce is said to be usurping powers, but he cannot usurp powers because he has the

power to do as he likes under this act. In all fairness I want it understood that I am not speaking personally, but this is laying a pattern which is dangerous for the welfare of this country. That is why I submit that in connection with an issue as important as this the Prime Minister should be here during this debate.

We of Her Majesty's loyal opposition want to hear from the Prime Minister on this issue. We want to know where he stands. Last night the Minister of Trade and Commerce was quite indignant and spoke with some heat about the rumour that there was a difference of opinion in the cabinet in connection with this matter. I notice that the Minister of Finance (Mr. Harris) and the Prime Minister are conspicuous by their absence today, and there are not very many ministers in the house either.

Mr. Howe (Port Arthur): Quite a few members of your party are absent.

Mr. McIlraith: What about the members of the loyal opposition who are absent today?

Mr. Rowe: It was not so well timed. Perhaps this was timed so that it would come at the same time as the Ontario provincial election when the Prime Minister and the Minister of Trade and Commerce expected that many hon. members would be away. That is how they expected to slip this through without too much attention. After all, our members wish to exercise their franchise, even in provincial affairs. In fact those who sit to your right said a short time ago they were all going to be down there campaigning, but when they saw how things were going they came back to their original tents very rapidly.

Mr. McIlraith: Mr. Speaker—

Mr. Rowe: Mr. Speaker, I am not going to be disturbed at all by the cackles and growls from the back benches on this issue, because this is an important issue. This is one which concerns the life of this house. This is one which concerns the supremacy of parliament. This measure is unnecessary today. No doubt the hon. member for Winnipeg North Centre enjoys it. You could not put his type of policy into practice without it. You have to have all these powers in order to nationalize industry and socialize industry across Canada. It is a socialistic move, as far as the government is concerned. The government has never been embarrassed. But, Mr. Speaker, no government of this country has ever been embarrassed by the policies of the Conservative party in times of emergency. All through the years our record has been clear in that regard. We have never stood between the government and necessary authority in time of trouble. Our record is clear, back over the years. In the years of the 1914-1918 war this party suffered because of its stand in that regard. We would not be worthy of our place here if we did not follow that attitude. The Liberal party has at times refused to take the action it should have taken, as when it refused to provide for airfields in 1938. But today where is the emergency? Is the Prime Minister or the Minister of Finance now studying it?

Mr. Howe (Port Arthur): May I ask my hon. friend a question? Why are we spending $300 million or $400 million to build early warning lines across Canada?

Mr. Rowe: If there were a greater emergency than there was when you said this should not be continued, why are you reducing your over-all expenditures this year?

Mr. Howe (Port Arthur): We are not.

Mr. Rowe: Yes, by some $20 million or $30 million. Why is the expenditure less?

Mr. Howe (Port Arthur): What percentage of the total estimate is $20 million or $30 million?

Mr. Rowe: I know, "What's a million?" In this case it is, "What is $20 million anyway?" Under this act you can deal with $100 million without coming back to us. Yes, what is $20 million in the kind of expenditures that this government carries on? They have increased their expenditures all through the years on civil account and for a time reduced them on defence; yet they come to the house now and tell us now that there is such an emergency in connection with defence that we have to have powers that five years ago we would not touch at all. The Prime Minister himself, and the Minister of Trade and Commerce also, said as far back as 1951 that some of the powers sought in this bill are special powers and should not be of a continuing nature.

Mr. Howe (Port Arthur): Now read the rest of it. That is half a sentence.

Mr. Rowe: The Minister of Trade and Commerce himself said that it should not be of a continuing nature at that time.

Mr. Howe (Port Arthur): I believed that it should be continued as long as the emergency continued.

Mr. Rowe: Does the Minister of Trade and Commerce not intimate by that that we will be in an emergency as long as we live?

Mr. Fleming: As long as he is minister.

Mr. Howe (Port Arthur): Mr. Speaker, may I point out to my hon. friend that in 1947 I liquidated an act with powers equal to this, because I did not think it was needed any more. It would have remained liquidated except for another emergency. When this emergency is through we may wish to liquidate this act. I do not propose to be told now by any hon. member just when I will liquidate it.

Mr. Rowe: I realize that, but somebody may liquidate you some day, at election time. I do not know whether it is a falsehood, but we hear rumours that the minister is going to retire, and in fact we even hear rumours that the Prime Minister is going to retire. What is going to happen then? Is this a deal that has been made? Has the hon. member for Winnipeg North Centre (Mr. Knowles) made a deal with the government so that there will be a coalition between the socialists and the Liberal party in this country? I wondered why he was so happy today. Somebody is going into the Senate. He may be going into the cabinet.

Mr. Howe (Port Arthur): When my hon. friend takes over, he can repeal it.

Mr. Rowe: The Minister of Trade and Commerce is a great champion of free enterprise and he knows, as well as he knows I am looking at him, that he does not need this parmanent bill. No emergency needs a permanent bill.

Mr. Howe (Port Arthur): If you think that, you do not know what is going on in the world.

Mr. Rowe: He has said that when the fact that it is not needed has appeared he can liquidate it as and when he wishes, not when parliament wishes. Mr. Speaker, I have listened for a quarter of a century or so to speeches in this parliament—

An hon. Member: And learned nothing.

Mr. Rowe: You have not learned much in the few years you have been here. I have listened to my hon. friend for many years talking about the supremacy of parliament and saying, "Trust the people", and I have heard him say that when a government fails to trust the people the people fail to trust the government.

Mr. Howe (Port Arthur): The people do trust us.

Mr. Fleming: Forty-eight per cent.

Mr. Howe (Port Arthur): When they trust you, you can do something about this legislation.

[Mr. Fleming.]

Mr. Rowe: It is like the answers we get from the other side of the house. They say, "Look at the support we get in the country; that is why we can liquidate acts when we please; that is why we can hold parliament in contempt; that is why we do not need to listen to the opposition". A trend has been developing in this country so rapidly since this government has been more or less power-drunk, in the last several years, that one would think no one had any right in this house to criticize the government in any way. If we use that term "for emergency", why does not the Prime Minister or the Minister of Trade and Commerce take us into his confidence? If they are not satisfied to let the public in the gallery know, they can call a private session, a war session, and let us know what this emergency is. They have the War Measures Act, if required, and they have all the powers they need without half the powers of this act. If they need it at all, then they should tell us why, and not say, "We are a free enterprise party, but we want to make this permanent. We are not at war, but we want a plan for an emergency that has passed, so that we will have a pattern for socialism for the future for our friends to the left."

Mr. Howe (Port Arthur): I am glad to know the emergency has passed.

Mr. Rowe: I am speaking in terms of an emergency that needs the powers under this bill. I am speaking of the use of the term "emergency". This party has not criticized the government for the amount of money it has spent even though we have criticized the way it has been spent in some respects; we have not criticized the war budget. We do not intend to criticize the war budget. We have told the people that we need taxation, that people must pay taxes in order to defend this country. There is no monopoly on sincerity in that regard. But there is no monopoly on the rights of parliament. There is no monopoly on those who would destroy the powers of this house. I say in all sincerity that this, in the guise of a war emergency, is a blueprint of a perfect pattern for a socialistic regime. True, the right hon. Minister of Trade and Commerce has more confidence in his party and his free enterprise policies than to believe that he or the Prime Minister would use it as a socialistic plan. But why do they want to make it permanent? Why have it after they are gone?

Mr. Howe (Port Arthur): We have confidence in our judgment.

Mr. Rowe: We have heard that said before by certain people in Europe who ran everything in a one-man show. I cannot understand why a party that has the powers that this

party has must have a form of an act that is a pattern for a totalitarian state. All they need to do is to have the socialists elected and get into this house, and then they would be able to put that into effect.

The pattern is made to order. I think that is why the hon. member for Winnipeg North Centre appreciates it so much. I have never seen him laud an act of the government as vigorously as he has lauded the bill before us today. The Prime Minister and the Minister of Defence Production have both said that these are unprecedented powers, powers that should not be continued. But now they are continuing them with, I say again, less of an emergency staring us in the face than there was when they said they did not need to be continued.

Why do they need to be continued in this manner? Is there any minister or any member within the sound of my voice who will say for a moment that if we pass this legislation now for a period of a year we will not do so again next year if the emergency remains? Why this permanency, why this long-term socialistic pattern even for an immediate emergency, if the Minister of Defence Production is right?

The minister attempts to frighten us today by suggesting that there is an emergency. I do not know what the emergency is, Mr. Speaker, but I think I have a right to know something about it. A lot goes on in this department and in several other departments that I do not know anything about because questions often go unanswered or are sidetracked and debates are juggled and fumbled so that we only get a few days on one debate and then it is postponed in order that the government may get through the session as easily as possible, and with the least embarrassment.

Let the government take the house into its confidence. If we are facing an emergency, if we need this measure let us know it. If conditions are that bad then let them clear the galleries, clear the press gallery, call a secret session of parliament and tell us why they cannot face the emergency unless they have this authority. We can count on the Canadian people to support us, exactly as they did all during the war. Every industrialist, every workman in the country played the game just as the soldiers did.

But I do not believe the Minister of Defence Production has decided that he will nationalize the whole economy of Canada. Why then does he seek this power? Why have the power to do it? No wonder the socialists to my left are lapping it up. They would be delighted, in the same way as the socialists in the United Kingdom who almost ruined the country and who recently suffered a terrible defeat. If they need powers of this kind then let the minister tell us in private session, if necessary, or in committee that the situation is so serious that he needs the power to take over real or personal property at whatever price he decides, that he needs the power to make contracts and then turn around and break them if he wishes to do so. He has that power under the act. Let him tell us that the situation is so serious he needs power to examine the books of a corporation and then refuse to believe the books; that he needs power to name an agent to run a business when he does not think it is being run properly, even if only part of that business has to do with war production; that he needs power to force a company to enter into a contract and to take over the company if it refuses to sign a contract. If they sign a contract and make a deal he can refuse to pay them what he said he was going to pay because he thinks they have made too much money. If he likes the colour of their eyes he can pay them more than he agreed to pay them.

All these things can be done under this bill. If the minister's agent at Ottawa thinks the bookkeeper of a corporation has had more expenses than he considers reasonable, the agent can set the figure to suit the minister. These things sound ridiculous, but the bill is ridiculous. These are the powers vested here. Are these the reasons the cabinet benches are so empty today? Are some members of the cabinet not satisfied? Some conspicuous members of the cabinet are not here now, and they did not look happy when they were here. There are many members in the party to your right, Mr. Speaker, who must squirm when they read that if a person refuses to make a contract with the government the minister can make him enter into a contract or surrender his business. They must squirm when they see that if the person makes such a contract and loses money he must regard the position as being the same as if he had tendered on the job.

I do not believe for a minute that the Minister of Defence Production, as long as he is in office, would use this legislation to injure Canada. I do not believe he would use the act to nationalize industry. I know his inclinations in that regard quite well. I do not believe he would use the act to tell a candidate he could not run for the Conservative party.

Mr. Cardiff: I believe he would.

An hon. Member: I think he would.

Mr. Rowe: I do not believe he would say to a person, "I do not think you can fulfil

this contract if you are going to be a Conservative candidate." I do not believe he would use the act for political purposes. I do not believe he would tell them not to contribute to the Conservative party and I know he would not tell them to contribute to the Liberal party. But under this legislation he has power to do almost anything he likes. In fact I should like to know what he could not do under the act. He cannot take a man and throw him into jail without a trial, as he could under the War Measures Act. He cannot tell the hon. member for Prince Albert (Mr. Diefenbaker) that he has to quit parliament and go and dig ditches.

But, Mr. Speaker, if I am the head of a corporation which is engaged to some extent in defence production, and if I make a contract with a labour union—let the hon. member for Winnipeg North Centre tell his labour friends about this—under the act the minister has the power to break the contract made with that labour union, whether it means 10 cents an hour more, 20 cents an hour more or guaranteed annual wages. That is a pretty far-reaching power. It can be done at the whim of the minister. It can be done by the action of his agents. As I watch the actions of the government and look at this legislation I am more than ever convinced that what Lord Acton said is still true, that all power corrupts and absolute power corrupts absolutely.

When power is being sought that is not needed can you blame us, Mr. Speaker, for being critical? I do not like to be critical of the government. I realize the responsibilities they carry. I realize the Minister of Defence Production has carried a great load of responsibility. We have long since recognized his sound ability in many respects, as have most Canadians. In fact before he was in parliament he was employed by the party to which I have the honour to still belong, and he performed great service for us. If we had known he was going to enter politics we might have persuaded him to join us.

An hon. Member: Then the bill would be O.K.

Mr. Rowe: But, Mr. Speaker, that is beside the issue. Let no one think I am attacking the Minister of Defence Production or the Prime Minister, but it is our duty as members of Her Majesty's loyal opposition to see that the supremacy of parliament is maintained, and we are not going to be sidetracked by the anxious and hungry desires of the socialists to our left or the whims of a minister who seems to think all power is safe as long as it is in his own hands.

[Mr. Rowe.]

This is not good enough, Mr. Speaker. This bill says that if the officers or directors of a corporation are not doing a service as the agent of the minister thinks they should, and if by their conduct they are going to fail to complete a contract as they should, then they can be dismissed. The innocence of their failure must be proven by them. The old axiom has been changed, and no longer under this act are you innocent until proven guilty. If the government does not like you, you are guilty until proven innocent.

As I said at the outset, I am not a lawyer. Neither is the Minister of Trade and Commerce. But I am amazed that the Prime Minister of Canada, who has been the head of the law society of Canada and is such an eminent member of the bar, would ever allow an act like this to be made permanent. In time of war no one in this house and few in the country would not be satisfied to pay their debts like the boys and girls have paid who lost their lives; that is not an issue. Surely we can trust the people. But why introduce an act with all these powers merely because a minister says, "You should trust me; I liquidated one act before and I can liquidate this." Should we sit idly by and wait and wonder whether or not the act will be liquidated, or the minister liquidated by an election? Elections are uncertain.

Does anyone think the hon. member for Winnipeg North Centre—of course I know it is but a dream, and there is little chance of the hon. member sitting where the Minister of Trade and Commerce now sits—would ever let go of these powers? He would laugh and hang onto them like a bulldog to a bone. They would be the blueprint for his socialism. He could say to anyone sitting in the opposition that his party did not introduce this act. It was brought in by that great free enterpriser the Minister of Trade and Commerce. This act was brought in by that great Prime Minister who had been head of the bar association and was an eminent lawyer. This act was brought in by the party that received the greatest majority in the history of Canada. This act was brought in by the party that talked free trade one day and attacked it another. This act was brought in by the party that talked about the supremacy of parliament from one side of their mouth and destroyed it from the other. This is the party that talked about the individual rights of parliamentarians, and then ignored them one after another. The Minister of Trade and Commerce today has demonstrated his qualities more than ever by the fact that he says he alone should liquidate it; that he should be trusted to liquidate it.

Mr. Philpott: He did not say that.

Mr. McIlraith: Quote him accurately.

Mr. Lennard: Take the plugs out of your ears and listen.

Mr. Rowe: Perhaps I did add a word, but the meaning is still the same. In this instance the Minister of Trade and Commerce did say he liquidated one before and he thought he should be trusted to liquidate this one as he saw fit.

Mr. Philpott: My hon. friend told the house the Minister of Trade and Commerce said that only he could liquidate it, and of course he said no such thing.

Mr. Rowe: No, Mr. Speaker, I stand corrected. He did not say only he could liquidate it, but he said he would be the only one who would liquidate it. He said he should be trusted to liquidate it. I realize that someone else could liquidate it, but the chief liquidator is the man who has the power. I realize there is a clear-cut distinction. In fact the hon. member, being a member of the press for so long, is closer to being a lawyer than I am, but the spirit of the answer is the same and indicates the same socialistic trend.

Mr. Sinclair: You are just confused.

Mr. Rowe: If I were confused I would not seek any help from the Minister of Fisheries (Mr. Sinclair), who has just interrupted.

Mr. Sinclair: I am glad of that, too.

Mr. Rowe: I know, Mr. Speaker, the hon. member for Winnipeg North Centre will not likely tell his labour friends just what these powers mean. I say quite seriously that the minister or his agents have power under this act to annul or repudiate any contract between a company and a labour union, when even part of the work of that company is for defence purposes. This same power could be used to repudiate any contract made with a government, any contract made with a municipality, or any contract made with a province. In fact the minister has power under this act to repudiate even a statute of this parliament.

Where are those old champions of the supremacy of parliament? Where are those who have worshipped at the shrine of Sir Wilfrid Laurier and Mackenzie King? Let them go back and read the speeches of 1921 and 1925, as well as others. Why, Mr. Speaker, those men would almost turn over in their graves if they saw their successors now so hungry to take these powers and make them permanent. If the Minister of Trade and Commerce will do nothing else, will he not rise in his place today and say that these powers are only needed for defence purposes, and that if we think the act is that strong they will only ask for them for three years or five years? I believe that is longer than the Minister of Trade and Commerce intends to be here. According to rumours it is longer than the Prime Minister expects to be here. It will be longer than that before the Minister of Fisheries can ever hope to be prime minister.

Mr. Sinclair: You will be gone.

Mr. Rowe: I was here before you were.

Mr. Sinclair: You can console yourself.

Mr. Rowe: I hope I am not here then. I do not wish any of you ill luck, but I do expect to be around for a long time. I know some of the younger people, the youngest of them all, will have lived a long time before the Minister of Fisheries ever assumes the role upon which he casts his eye sometimes.

Mr. Sinclair: You have been here 30 years and learned nothing.

Mr. Rowe: You have done pretty well. I do not intend to say much more, but I am amazed and shocked, and I say in all sincerity that never in my experience in this house, which now covers 30 years, have I ever witnessed a spectacle like this. I have never witnessed the spectacle of a government seeking powers such as are being sought in this act and trying to make them permanent.

Another thing no less conspicuous is the fact that the Prime Minister himself, the sponsor of the bill, has not been here to listen to a single word of the argument for or against it. The Minister of Finance (Mr. Harris) has not been here either. I can tell by the weary and worried face of the Secretary of State for External Affairs (Mr. Pearson) that if it were not for the sake of decency he would probably rather not be here.

So, Mr. Speaker, last night when the hon. member for Eglinton was charged with uttering a falsehood I believe the hon. member deserved the sympathy of the house. All one had to do was look at the faces of those opposite to realize that there must have been many of them who were worried. I have watched the faces of cabinet ministers for a long time and I cannot help but think there must have been rumblings in the mulberry bushes over this bill.

I would urge the Prime Minister to come back into the house and tell us what he thinks of this bill. Tell us why he has moved it. Tell us why he has to have powers he is never going to use. Tell us why all these spectacular powers are going to be conferred.

Is there an hon. member within sound of my voice, any hon. member among this great mob of government supporters, who cannot see the real intent? Are they content to sit idly by and listen to the gibes of the Minister of Fisheries and the rumblings of some other backbenchers, such as the hon. member for Ottawa West (Mr. McIlraith) and others who, so long as they pound their desks or interrupt Conservatives while they are speaking, believe that they are paying homage to the all-powerful Liberal government? Some of them act like socialists and are admired by socialists, whether they are socialists or not.

I hope there is no collusion between those who sit to my left and the government; because while hon. members sitting to my left have no chance alone, they perhaps feel that if they clothe this government with power through this bill, then they will be making some sort of negative contribution to the economy of this dominion.

This government has taken many powers it did not need. It has done so, not only for the general purpose of having power, but—

Mr. Howe (Port Arthur): We thought the hon. member had finished his speech.

Mr. Rowe: Well, I believe my time has almost expired. I realize, of course, that what I say will not matter very much. If this bill is going to pass it will not matter whether one talks for 40 minutes or 20 minutes. It would matter very little, in fact, whether individual members spoke at all. The government seems to think that it matters very little what kind of deal they make with the provinces and the municipalities. It will matter very little except as to the personnel, the man who is going to administer the act. I have complimented the present minister much more than he has complimented me, and I believe more than the Minister of Fisheries. He is a lawyer, too, and—

Mr. Sinclair: No, thank God.

Mr. Rowe: I was going to say that if he is, then he must be a very poor one. But I say in all sincerity that if this act is made permanent we will have it that way forever in Canada. Sound, sensible and honest people, people who believe in the free enterprise system, have made this country what it is, despite what is said by hon. members sitting to my left. Here is a pattern made to order, a blueprint ready to be followed by the wildest socialists we have ever seen, if they wish to use it.

I urge the Prime Minister, who is not present this afternoon, and I urge the Minister of Trade and Commerce to do some quiet and private thinking in the quiet hours tonight. Let them go home and conclude that perhaps they can do with three years. Perhaps it would be safe to have five years. Perhaps it would be safe to make it ten; or will they just leave it so that no matter who comes into power they can do as they like, and instead of having parliament supreme it will become negative and almost useless because they do not like parliament anyway.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I have not been 30 years in the house so perhaps I may be excused if sometimes I am somewhat puzzled. I have been under the impression that we are discussing a bill to amend the Defence Production Act, a bill of two clauses. But as I listened to the two wings of the Conservative party yesterday and today I find that they are concerned with the actual provisions of the Defence Production Act itself.

I would like to know if either of these groups is going to have the courage to implement the complaint they made last night and again today, by bringing in a measure to amend the powers set out in the Defence Production Act. Are they going to have the courage to call for a reduction in defence expenditures? They have changed their line. Now they are no longer the voice of doom, predicting communist aggression almost every other Thursday; now they have decided that there is no urgency. Are they going to bring in a motion to reduce defence expenditures?

I listened last night, as long as I was physically capable of doing so, to the hon. member for Eglinton, and I did not discover a single argument, except his argument against the powers that are in the act and have been in it ever since it was passed. It may or it may not be that the government requires these powers. But I suggest that it is frivolous irresponsibility on the part of members to stand up in this house, on the pretext of an amending bill of this sort, to object to the powers in the act, if they have not the courage to offer amendments to that act themselves. It is frivolous irresponsibility, and I challenge the spokesmen for the Conservative and Social Credit parties to bring in an amendment which would curtail these powers which they consider so extremely dangerous.

We have been told for the last two years, time and again, from both wings of the Conservative party, that we have to watch out, that communist aggression is lurking just around the corner. If that is so, then presumably Canada requires defence. And if Canada requires defence, then we have to

purchase materials for that defence. I do not mind being called a socialist; I am a socialist. In fact I do not care if you call me a communist. But I will say this, that the welfare of Canada and of the Canadian people must take precedence over any private interest.

Let me point out to members of the Conservative and Social Credit parties that, as has been pointed out before, it was private industry that went on strike in 1939. I would tell the honourable and loquacious member for Dufferin-Simcoe that it was not labour that went out on strike; it was capital that went on strike in 1939, and that was prepared to let Canada go down the drain if they could not have the terms they wanted from the government and people of this country.

I suggest that these hon. members who have been objecting should name specifically the powers they would take away from the Minister of Defence Production. Let us have it spelled out so we can understand easily. What is it he is no longer to be allowed to do? If they are not prepared to come forward with that information, then let them tell us just what is the sinister aspect of making this department permanent.

I heard it suggested here last night at appalling length, and again this afternoon, that it is not possible to do anything with the Department of Defence Production once this amending bill is passed. That seems to me a confession of failure on the part of members of the House of Commons, because every year the operations of that department are under review by parliament. Every year every act of parliament is under review, potentially. Any member in the house who feels that there is an act vesting the government with powers they should not have is free to bring in an amendment.

Do we hear them doing it? No; we hear them getting up on the basis of a small amending bill and making an attack on the Department of Defence Production, and they have not the courage to make the attack openly. They have not the courage to state specifically that certain powers must be taken away.

I suggest to you, Mr. Speaker, that if we have an emergency as we are told we have—and I have not the slightest doubt that some time, even in the remaining few days of this session, members of the Conservative and Social Credit parties will be warning us about the dangers of communist aggression—then we must face the realities of this modern world. We must realize that we have to prepare for that emergency ahead of time. It is no use to say that we will give the minister these powers when the first hydrogen bomb drops. If there is any way of stopping that bomb from dropping he has to have power to act now.

I do not know how he has exercised his power in the past. I have been told that he has exercised it well. He may have done it well or otherwise; but somebody has to exercise this power in the paramount interests of the Canadian people so as to override the selfish interests for whom the parties to my right and left are such eloquent spokesmen.

Mr. G. W. McLeod (Okanagan-Revelstoke): Mr. Speaker, after listening to the various speeches that have been made I must admit that there is very little left to say. However, one way of emphasizing certain points is by repetition, and I want to emphasize very clearly the stand enunciated by our leader, the hon. member for Peace River, a few moments ago.

Before doing that, may I say I was rather intrigued by the speech of the hon. member for Winnipeg North Centre. But I must say I was not surprised at his socialistic views favouring national control. We expect this, and expected him to commit his group to support a measure that is centralizing control of industry in the national government. I trust the government appreciates the fact that it is sponsoring control over private industry, which meets with such enthusiastic support from our socialist friends.

Another statement the hon. member for Winnipeg North Centre emphasized was "we believe in responsible government". Who does not? We in this group are as jealous of our belief in this principle as any group in this house. But at the same time we also realize it is possible to have too much government. We believe the people of Canada are entitled to enjoy a wide degree of individual freedom and individual rights, and we shall oppose any action by any government, national, provincial or municipal, which takes away these rights in times of peace, in times of non-emergency.

The only criticism I have to offer of the speech of the hon. member for Eglinton is that he left very little for the rest of us to say. Another statement that rather tickled my fancy last night was one made by the Minister of Trade and Commerce in describing this bill. He said, "It is a very simple bill". Well, it is simple; it is one of the shortest, if that is what he means by simplicity, that have come before the house this session. There is an old saying that many good things are done up in small parcels. It is equally true that many highly explosive articles can also be done up in small parcels.

The sad part of this bill, Mr. Speaker, is that it is another one of those package deals that we have been getting so often this session. Clause 1 deals with raising the salary of the Minister of Defence Production. I do not think there is any quarrel with that. So far as we in this group are concerned, we believe there should be a permanent Department of Defence Production. We are firm in our belief that whoever heads the department should be paid the salary that is being paid to other ministers of the government.

While saying that and agreeing that the Department of Defence Production should continue, we should also like to pay tribute to the right hon. member who has occupied the position of Minister of Defence Production for the past few years. He has been paid a good many compliments during the last few hours, but a few more might be in order.

I believe the people of Canada, from one end to the other, are well aware of his personal contribution to the business of government and to the wonderful developments that took place from 1939 to 1945 which made it possible to win the war in which we were engaged. When the minister steps out of office, as he is bound to do sooner or later, to take that well-earned rest to which he is entitled, I often wonder where the government of the day will find two men to fill the position which this one man is filling at the present time.

While we are in favour of a permanent Department of Defence Production, we cannot agree with the arbitrary powers over industry in time of peace that are given by this act. We admit that in time of emergency, or in time of war, rigid controls are necessary, and I am sure we would have no objection to invoking the War Measures Act, or any legislation necessary to make this act effective. These measures could be invoked by parliament on very short notice.

We maintain that Canadian industry should not be under the heel of any dictatorship; and I am afraid, despite other words to the contrary, that is what is being set up in this house at the present time. I was going to read some of the sections to which we take such strong objection, but the hon. member for Eglinton read them last night. They are sections 23, 24 and 27. To my way of thinking they are most objectionable, but I recall that last night the Minister of Trade and Commerce interjected and said, "Did you read section 25?" Well, I read section 25, Mr. Speaker. It says the party concerned shall be compensated. Well, surely to goodness no one believed that any department of government would confiscate goods and plants, if necessary, without compensation.

[Mr. McLeod.]

These are dictatorial powers, and the least I can say about them, using language that is not too strong, is that they certainly are not democratic powers. In wartime and in peacetime industry has done a good job under free enterprise. Therefore, Mr. Speaker, on behalf of this group, I would say let us keep it free until an emergency calls for some drastic regulations.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, I have no intention this afternoon of dealing with the challenge thrown out by the hon. member for Nanaimo (Mr. Cameron). I merely say that sometimes I am reminded of the statement made by the C.C.F. party in this house on the outbreak of the last war, when they urged upon members of parliament and on the nation that Canada should send all the materials she could overseas but under no conditions should send one man. They were so far out of line with reality on that occasion that when they get out of line again, as they have done this afternoon, I suppose none of us should be surprised. Their stand on some of these issues shows much more clearly than I can in a few words just why they are unlikely to be entrusted by the people of Canada with the direction of the affairs of this nation.

I suggest to you, Mr. Speaker, that it might be of some value this afternoon for me to outline the course of the debate on the resolution which preceded the bill. That debate commenced on March 10. It was opened by the Prime Minister. It has already been pointed out by several hon. members that this measure has been sponsored throughout by the Prime Minister. As I said, he opened the discussion on March 10, though yesterday he failed to open the debate on the motion for second reading of the bill. As yet he has not taken any part in the debate at this stage.

Speaking on March 10 the Prime Minister admitted that the Department of Defence Production had been set up to meet an emergency which had been brought to a head by the fighting in Korea. He admitted also that at that time, which was three months ago, the peak of Canada's defence program was past. As a reason for this present measure he stressed the production of aircraft and electronic equipment, but admitted that there were certain powers under the Defence Production Act which were not being used. I quote from page 1905 of *Hansard* of March 10, where the Prime Minister had this to say:

> There are other powers which are not being used at this time but which were placed there because they were considered to be essential in dealing with any emergency which might arise and which might interfere with the regular production and procurement of what was necessary to build up our forces and to discharge our commitments to our associates in this joint undertaking.

After the Prime Minister had spoken, members of the opposition pointed out various facts in connection with the Defence Production Act. For example, we referred to the statement made by the Minister of Defence Production on March 2, 1951, a little over four years ago. On that occasion as well the Prime Minister was the sponsor of the bill, but the first speech on the motion for second reading was made by the Minister of Defence Production, and I quote from page 836 of *Hansard* of March 2, 1951, as follows:

It is proposed that the act would expire on July 31, 1956. There is no particular significance to this date, other than to recognize that some of the powers sought in this bill are special powers which should not be of a continuing nature. Bearing in mind the present situation, and the program which has been announced by my colleague the Minister of National Defence (Mr. Claxton), a period of five years seems a reasonable minimum for the duration of the act. In the bill, provision is also made for the repeal of the Essential Materials (Defence) Act and for the suspension of the Defence Supplies Act during the period of operation of the Defence Production Act.

Mr. Howe (Port Arthur): That was a three-year program.

Mr. Green: At that time the minister pointed out clearly that some of the powers in the Defence Production Act should not be of a continuing nature. In the same debate I questioned the Prime Minister about the extent of the powers contained in the act. The interchange is to be found at page 908 of *Hansard* of March 5, 1951, as follows:

Mr. Green: Then may I ask the Prime Minister whether any further powers would be required to carry out defence production if we were actually in a third world war?

That was a clear question, whether there were any powers not in the act which would be required in the event of another war. The Prime Minister answered as follows:

I do not anticipate there would be. I think the enabling sections here are expressed in language which probably would be broad enough to apply; but of course with respect to that, as with respect to all our other moves in this connection, we would expect to declare any change in policy to parliament, and we would have to be asking parliament to appropriate moneys, so there would be ample opportunity for parliament to concur or refuse to concur in the carrying out of any further policy that was declared.

Mr. Green: The Prime Minister has said that this bill as presented contains all the powers that would be required in the event of a third world war.

Mr. St. Laurent: I would not want to promise the house that if we ran up against something where the courts said this was not good enough we would not come back to parliament; if we thought it should be done, we would ask parliament to authorize it; but I think the law officers have drawn this in language that should be sufficient to cover all the enabling powers apt to be required.

We pointed this out to the Prime Minister and the Minister of Defence Production when the present measure was under debate in March of this year. We also pointed out that in the report of the department for 1951 there is an admission that the powers possessed by that department are war powers. I would refer to page 14, where the following statement is made:

Although the powers now in effect are virtually the same as those which existed during the last war, it has been understood that these powers would be used to the minimum extent necessary.

I have not heard the Minister of Defence Production state during the course of this debate that the powers in the Defence Production Act are not all the powers that would be required in a third world war. I think we may take that as an admission that such is the case. When the previous debate took place, in March of this year, the Minister of Defence Production confirmed the statement that he had made in 1951 to the effect that some of these powers should not be continuing powers. I would refer to page 1967 of *Hansard* of March 11 of the present session, where the minister is reported as follows:

I quite agree that all the powers set out in the act should not be continuing powers;—

This was not back in 1951; this was three months ago.

—but I do maintain that if they were necessary in 1951, they are just as necessary today.

Of course our whole argument hinges on the question of whether these powers, which it is admitted should not be continuing powers, should be placed in a statute along with all the other statutes of Canada and thereby given permanent status. The minister went on:

My hon. friend reads out these paragraphs as though they were fantastic.

Mr. Green: They are.

Mr. Howe (Port Arthur): Well, I can tell him that every one of those powers has been exercised during the period I have been in charge of defence production in this country, and exercised not once but many times. The reason they were put in the act is that experience during the second world war indicated that that type of power is necessary to mobilize the industry of this country for war.

Mr. Green: May I ask a question? Has the minister used these powers within the last year?

Mr. Howe (Port Arthur): No; they have not been needed.

Then three days later, on March 14, the minister made another most significant statement, and I refer to page 2001 of *Hansard* of that date, where he is reported as follows:

If we get back to a reasonably normal time and the powers are not required, I think the government of the day will certainly come forward and revise the act voluntarily—

Of course that was wishful thinking. In my experience I have never known this government to do anything of that kind; they have always had to be prodded.

Mr. Howe (Port Arthur): No one prodded us to repeal the munitions and supply act.

Mr. Green: They had to be prodded into that, too.

Mr. Howe (Port Arthur): No one prodded us.

Mr. Green: The minister went on:

—but neither the hon. member nor I can see too far into the future—

These are the significant words.

—and I do not think we should attempt now to decide whether or not the powers of this act will be required over a long period in the defence of Canada.

Yet what the minister is trying to do is make these powers permanent, in spite of that statement made by himself on March 14 of this year.

Mr. Howe (Port Arthur): Mr. Speaker, I am sure my hon. friend is trying to discuss this logically. I am trying to make the status of the Department of Defence Production permanent. I do not know how I can make the status of the Department of Defence Production permanent unless I can make the act which creates the department permanent. If my hon. friend can tell me that, I would be very glad if he would elucidate.

Mr. Green: Nobody is questioning the wisdom of making the Department of Defence Production permanent, just as all the other departments of government are permanent. We have had bills here in recent years setting up the Department of Citizenship and Immigration, the Department of Mines and Technical Surveys and the Department of Northern Affairs and National Resources. Nobody objects to the Department of Defence Production being made a permanent department, but what we do object to is giving this department these terrifically wide powers on a permanent basis. We have argued that if they require extensive powers of this kind, then let us give them those powers for a period of years, say for another period of two years, and then at the end of two years we can again take a look at the act and see whether they still require the powers.

Mr. Howe (Port Arthur): Mr. Speaker, if we extend the act for two years, we are extending the life of the department for two years.

Mr. Green: No. I cannot see why it is so hard for the minister to understand.

Mr. Howe (Port Arthur): You cannot contribute much to this debate if you cannot see this point.

Mr. Green: The minister never admits that I contribute anything to any debate. If that is his view he is welcome to it. There is no reason why the department cannot be set up as a permanent department and yet not be given these powers on a permanent basis. Look at the Defence Production Act. Read section 41, which shows what can be done:

This act, except subsection 6 of section 4, shall expire on 31st July, 1956.

In other words, in this very act subsection 6 of section 4 is made permanent, while the rest is made for a period of five years. If that can be done, why cannot the reverse be done; divide the Defence Production Act into say two parts, one part setting up the department and the other part giving them powers. Why not make the first part permanent and provide that the second part shall continue in existence for a period of three years? That has been done time and again in legislation since I have been in the house, and I cannot see any reason why it cannot be done with this particular act.

Mr. Lennard: There is a contribution right there.

Mr. Green: My friend the hon. member for Eglinton points out that the first 14 sections of the Defence Production Act provide for the setting up of the department, and most of the sections from there on deal with the powers. I am afraid that this talk by the minister that you cannot make part of an act permanent and the other part for a period of years is merely a smokescreen, merely an alibi, so he can get all these powers put into permanent form. It was admitted during the debate in March that most of the powers about which there has been complaint have not been needed.

Mr. Howe (Port Arthur): Have not been used.

Mr. Green: We shall not quarrel over the word. I think he said "not been needed" himself on several occasions. First of all, reference to section 23 is made on page 1993 of Hansard. The minister was questioned by the hon. member for Eglinton about section 23, as follows:

Let us take section 23, for example. It is the section which empowers the minister to oblige someone to enter into a contract with him to furnish defence supplies or to construct defence projects. What use has been made of that section by the minister? Have there been any cases where the minister has resorted to the powers conferred upon him by that section in order to procure defence supplies or to procure the construction of a defence project.

Mr. Howe (Port Arthur): Mr. Chairman, since this act was passed there has been no resort to that section; however it is a section which I think should be in the act.

Then section 27 is dealt with at page 1996 of *Hansard:*

Mr. Fleming: The minister has not answered my question, so I shall put it again. Have any conditions arisen or has any situation arisen where the minister has found it necessary to exercise the powers conferred by section 27 and appoint a controller?

Mr. Howe (Port Arthur): No, we have not appointed a controller since 1951, but we have had situations where if the owners or others responsible had not been willing to resolve them we would have appointed a controller.

Mr. Fleming: Was it necessary in any such case for the minister to threaten to appoint a controller?

Mr. Howe (Port Arthur): We never threaten.

That answer, of course, brings smiles from all sides of the house.

Mr. Fleming: You never threaten?

Mr. Howe (Port Arthur): Never threaten.

Then section 29 is dealt with at page 2000 of *Hansard:*

Mr. Fleming: The next question is in relation to section 29, under which the minister may where he deems it expedient cause an inquiry to be made, and may appoint an investigator. Has it been necessary at any time for the minister to act under section 29?

Mr. Howe (Port Arthur): Inquiries are carried on by a section of the audit division of the treasury which is attached to the department. These inquiries have been carried on quite frequently. As I recall, I do not think we have appointed a special investigator.

Then section 30 is dealt with at page 1994:

Mr. Fleming: May I now ask the minister a question with respect to section 30 which is the section under which the governor in council may designate materials as essential materials and certain services as essential services. What orders are outstanding under that section now? What orders are in effect under section 30?

Mr. Howe (Port Arthur): None at the moment.

Section 31 is dealt with at page 1995:

Mr. Fleming: I take it that the same answer would apply to section 31 which is the section that gives the minister power to do certain acts and things and to make orders and regulations with respect to control and regulation of production, processing, distribution, acquisition, disposition or use of essential materials or the supply or use of essential services for the purposes that are set out in the subsections. I take it that there are no orders outstanding under section 31 today.

Mr. Howe (Port Arthur): Not at the moment.

These facts all came out during the discussion of this measure in March. Eventually the official opposition made a proposal to the Prime Minister and the Minister of Defence Production for changes to be made in this act so that all the parties in the house could unite behind it. They will be found in *Hansard* commencing at page 2002:

Surely some legislation could be brought in which would provide that the defence production department will continue as a permanent department but the question of what powers it should have shall be reviewed within a certain length of time. If some provision of that kind were made I think it would pretty well meet the objections which have been brought forward in this debate.

Here was the answer given me by the minister:

Mr. Chairman, I remind my hon. friend that he fought the Defence Supplies Act much more violently than he has fought this act; he kept at it for days. I do not know why anyone would get any comfort from going back to the Defence Supplies Act, but if the house wishes to adopt this resolution before the bill is brought in, the government will consider the request of my hon. friend. I do not know whether or not the government will accept the hon. member's suggestion, but at least it will be given consideration.

Then the Prime Minister was asked this question by the hon. member for Peace River:

Surely it would be a simple matter for the Prime Minister to say "We shall give consideration to such a provision in the act and will bring something in". That is all we are asking. What about it, Mr. Chairman? May I ask the Prime Minister if he is prepared to give consideration to such a provision?

Here was the Prime Minister's answer:

The Minister of Trade and Commerce has already stated that the government would give consideration to the views which have been expressed here in that regard.

There we had a suggested compromise after there had been a somewhat extended debate on the measure. Obviously the Prime Minister and the Minister of Defence Production did not take the same strong stand against any change that is now being taken by the minister. In fact they had shown out of their own mouths reasons why the powers of the department, as distinguished from the department itself, should not be made permanent. That was three months ago. We had hoped that in the meantime the government would decide there was no reason to place these drastic powers on the statute books in permanent form.

But the Minister of Defence Production went to Australia; and whether he was chased by a kangaroo or what happened to him over there I do not know, but in any event he has come back now and he alone, without the Prime Minister beside him, is taking the stand that he must have all these powers or no act at all.

Mr. Howe (Port Arthur): Mr. Speaker, my hon. friend has read excerpts from my remarks. Why does he not read excerpts from my remarks of yesterday bearing on that very point?

Mr. Green: I am just going to do so.

Mr. Howe (Port Arthur): Good.

Mr. Green: They are found at page 4511 of *Hansard* of yesterday. The minister said then:

Either you have a defence production act with these powers, and all these powers, or you have no act at all.

That was the stand he took in the house last night. Certainly neither he nor the Prime Minister wanted these powers so badly in March. The minister also said yesterday, as found at page 4501 of *Hansard*, "We believe it is a model act". Let the Prime Minister come into the house and tell us he believes it is a model act, that he believes the department must have these powers and all these powers without any change. It is very significant that the Prime Minister has been absent today.

Mr. Howe (Port Arthur): It is very significant that the Leader of the Opposition has been absent, too, and a lot of other hon. members opposite.

Mr. Fleming: He will be back in a moment.

Mr. Green: Never mind about the Leader of the Opposition. You will hear something from him about this matter before the debate is over.

Mr. Howe (Port Arthur): Good.

Mr. Green: Let the Prime Minister of the country tell us why he wants the department to be given these dictatorial powers.

An hon. Member: Read on.

Mr. Green: Last night the minister dragged in arguments to support the new, tough stand he is taking on the measure. First of all he tried to explain the statement he had made in 1951 to the effect that some of the powers should not be continuing powers. He apparently forgot he had said the same thing in March of 1955.

Mr. Howe (Port Arthur): All right, you have read it. Don't read it again.

Mr. Green: I have what the minister said last night right here. He said, as found at page 4510 of *Hansard*:

> I should like to deal first with the statement I made in March, 1951, on the nature of the special powers contained in the Defence Production Act.

Then he went on to say that conditions at that time were different but, as I pointed out, he made exactly the same statement in March of 1955. Then he referred to the position of the defence program, and went on to indicate that the defence program was in such condition that he simply had to have all these powers. In answer to that I read the following from page 11 of the report of the Department of Defence Production for the year 1954:

> At the end of 1954 almost four years of procurement and construction for Canada's expanded defence program had been completed. The initial build-up of the country's defence potential was largely completed during the past year and, in line with the long term needs of the armed forces, the emphasis was shifted to the scheduling of production to meet a continuing high level of defence procurement.

The report goes on to indicate all the steps that have been taken and all the progress that has been made. Then at page 13 we have this sentence:

> Defence industries had no difficulty during the year in obtaining their necessary requirements of essential materials and skilled manpower and no domestic controls were required.

The report of the minister's own officials shows that the argument about needing these powers for the defence program was a phony argument. Then the minister said last night that the house could review this legislation on his estimates. That of course was the most fantastic excuse of all, to say that on the estimates the house could review these powers written into a permanent statute. How long would it be before we would be ruled out of order by the chairman if we tried to raise an argument of that kind on the discussion of estimates? What power has anyone in the opposition to bring in and put through a bill amending a measure such as the Defence Production Act? Consider how ridiculous the argument that we can review this legislation on the estimates would be as applied to any other act on the statute books of Canada, and particularly an act of this nature.

Then the minister got all confused and at page 4511 he said, with reference to the question of the wording of an amendment:

> This question was referred to the Department of Justice, and officers of that department pointed out that in view of the fact that a review of legislation is a matter which parliament can undertake at any time, an express provision requiring a periodic review of this kind would have no real significance. In order to require a review by parliament and attach to it legal consequences it would be necessary, for example, to provide that the act would expire at a stated time unless reviewed and reapproved or re-enacted before the expiration of that time. This obviously was not the intent indicated by the request put forward by the hon. members.

He was referring to the request made by the hon. member for Peace River and myself. All we had requested was that there be a time limit placed on the powers which were being granted to the department; and the minister, in making an excuse of that kind, was merely trying to confuse the issue. Then the minister said it was impossible to separate the powers, that they could not draft an amendment to separate the powers. That is done in the house at every session. In fact the minister's own bills, the essential materials (defence) act, the munitions and supply act and the Defence Supplies Act all have different provisions, and there has never been the slightest difficulty about varying the provisions from bill to bill.

The minister made one other excuse. He said the powers taken in this act were no greater than those in the Expropriation Act. How he reached that conclusion is quite beyond my ability to understand. The Expropriation Act provides a procedure for filing a plan in a land registry office, expropriating the land, and then compensation, but there is nothing in that act such as is contained in this act giving the power to appoint controllers, to seize a man's business, conduct investigations into his business, and all that sort of thing.

Mr. Howe (Port Arthur): Why not read what I did say?

Mr. Green: On page 4511 of *Hansard* for June 7, 1955, I find this:

> It is in fact no different from the Expropriation Act which has been in force since confederation, and longer if we go back to English law. Under the Expropriation Act the land is first expropriated by the crown and compensation is worked out afterward. As I have already pointed out, this is similar to the procedure under the Defence Production Act.

The sections of the Defence Production Act go farther than the Expropriation Act and the minister had no business trying—

Mr. Howe (Port Arthur): My hon. friend is reading a portion that refers to a particular section that I mentioned before I made those remarks, and he then refers it to the whole act. If he feels that is fair debate, then carry on.

Mr. Green: Even if the minister meant to restrict that to a comparison of sections 23, 24 and 25 of the Defence Production Act, I suggest to him that those sections go infinitely farther than the Expropriation Act.

The fact is, Mr. Speaker, this is a bill tailored to suit this one minister. I point out that under section 5 all the powers given to the minister can be exercised by an appointee. It reads:

> The minister may authorize any person, on his behalf and under his control and direction, to do any act or thing or to exercise any power that the minister may do or exercise under this act.

The minister says that his appointees and his department must have these wartime powers. That is the way he does business, Mr. Speaker, and that is the way he has been doing business for a good many years in this house. It may be summed up by the expression "he carries a big club". The fact that he believes in carrying a big club is shown by statements made by him down through the years. On September 8, 1950, when we were considering the essential materials (defence) act, I find these words on page 460 of *Hansard*:

> I suggest to the committee that a word from the government is more effective if there is a law in the background that can be applied in case the response is not all that may be desired.

The next year, 1951, on May 21, page 3253 of *Hansard*, we find him saying this:

> Who would stop us? Don't take yourself too seriously. If we wanted to get away with it who would stop us?

Mr. Howe (Port Arthur): That is quoted from Conservative election propaganda that did not work. That is what my hon. friend is quoting now.

Mr. Green: And C. D. Howe is pretty deeply mixed up in election stuff, too. In 1953, April 21, page 4197 of *Hansard*, we find this. We were discussing an order in council passed under the emergency powers act when the house was in session, and which was thrown on the table here:

> If we have overstepped our powers, I make no apology for having done so.

On March 14, 1955, just three months ago, at page 1996 of *Hansard*, we find this:

> We did not take action under the powers. The powers were there, however.

Here we have a case of the greed for power of one man. Parliament is asked to bend the knee, just as business in Canada has been asked to bend the knee to this minister. It is high time this tyranny was stopped. We offered to agree that the minister could keep the powers if they were made for a period of time, say for two or three years, when they would again be subject to review. We offered to endorse the bill if the powers were restricted to such products as aircraft and electronics, instead of having a definition of defence supplies so broad it covers everything produced in this country. We suggested that the government go over the bill carefully and remove the sections that they themselves admit should not be continuing. We have been met with a refusal of each one of those suggestions. The minister's stand today—not the Prime Minister, and we want to hear his stand—is all or nothing.

The war has been over for 10 years, Mr. Speaker. The emergency powers act was dropped last year, and the Prime Minister admitted that act should be dropped. The Defence Production Act, in its present form, is not needed today any more than the emergency powers act was needed last year. If the minister cannot operate this Department of Defence Production without these powers, then let him give up that portfolio and devote himself to the Department of Trade and Commerce. He has a full-time job in selling Canada's wheat and looking after some of these trade problems he is having with the United States. I suggest the minister take on that job and let somebody else handle the defence production department.

If there were a new minister there is not one member in the Liberal or C.C.F. parties who would suggest that he be given these wide open powers the present minister is demanding. If a new minister asked for powers of this nature he would be laughed out of the house, and properly so. Because it happens to be this minister, the members of the Liberal and C.C.F. parties are prepared to give him all the powers for which he asks.

In conclusion, Mr. Speaker, may I say there has been a lot of emphasis on the need for building up our defences, and a lot of emphasis on the need for defence production. That is all very true, but the strongest weapon of this country is not defences or defence materials; the strongest weapon of this country is freedom. This act takes freedom away from the Canadian people. For that reason there is no excuse for this government asking that the act in its present form be accepted by the house.

Mr. J. A. MacLean (Queens): It is with considerable hesitation that I take part in this debate—

An hon. Member: Why bother?

Mr. MacLean: —but for reasons which the hon. member who has just interrupted would perhaps not appreciate, I feel I should take part, because I consider the subject matter to be one of the most important to come before this parliament in recent years, or likely to come before it in the near future.

On this occasion we are debating a piece of legislation which strikes at the very roots of our democratic system. We are being told, of course, that it is quite innocent legislation, not only innocent but necessary. It is necessary because at this time we find ourselves in a world which is divided into two factions. We are told that we must keep ourselves strong militarily in order to survive. These, of course, are facts and I do not disagree with them; but they are not justification for throwing away bit by bit the liberties and freedoms which we have set out to defend.

Therefore, Mr. Speaker, I hesitate to take part in this debate because I realize my capabilities are perhaps not such as will measure up to the magnitude of the problem. This is a subject which would require the full powers of a Churchill, a Burke or a Lincoln to appreciate and expose the full significance of the insidious tendencies exhibited in this legislation.

It has been urged that it is necessary to make permanent the Department of Defence Production, and I do not think there are many members in the house who would quarrel with that suggestion. So far as we can see into the future it seems likely that we will require to procure large amounts of munitions. Therefore in the view of most of us it is justified that the Department of Defence Production should be permanent. I, for one, am perfectly willing to go along with that suggestion.

The first clause in the bill would increase the minister's salary. That would appear to be an innocent clause, to which no one objects so far as I know.

However, when we turn to the second clause we find that not only would it make permanent the Department of Defence Production, but that it is a package deal. Tied up with the objective of making the department permanent we find that it also makes permanent these extraordinary powers now contained in the act.

The minister has suggested that it is impossible to bring about the desired result in any other way. He even led us to believe that he was open to suggestions as to how this package deal could be avoided. If the minister was sincere in that suggestion, then I am sure there are many who could offer suggestions to him to solve his dilemma.

As was said by the previous speaker, the sections of the act to set up the department on a permanent basis could be enacted in their present form. On the other hand those sections in the act which would make permanent these extraordinary powers vested in the minister could have a time limit imposed upon them. That is one suggested solution. Another solution would be simply to extend the life of the present act but to impose a time limit of four or five years during which it would operate.

Then an entirely different approach could be made. The present act followed the Defence Supplies Act. I think the purpose of the procurement of defence supplies could be met if an entirely new bill were introduced which would set up the Department of Defence Production in much the same way as every other department of government is set up. That act could come into force at the expiration of the present one; and when the present act expires the Defence Supplies Act would automatically come back into force. It could give the power required by the Minister of Defence Production for the procurement of defence supplies.

I should like to quote briefly from what was said by the minister in the house on March 2, 1951, when the Defence Production Act was under debate. This is what we find at page 839 of *Hansard*:

By and large, these are the powers that are now contained in the Defence Supplies Act—

He was speaking of the powers in the present Defence Production Act.

—which, hon. members will notice, is only being suspended during the life of the present proposed act. Other powers are of an extraordinary nature but fitted to the extraordinary circumstances of today.

That is, fitted to the extraordinary circumstances existing in 1951. Then I should like to quote what the minister had to say when the Defence Supplies Act was being debated in the house in 1950. These are his words, as reported at page 3633 of *Hansard*:

The threat seems to be made from all sides of the house that this legislation will be defeated. I will say at once it is all right with me if it is defeated because I will at least get full marks for having tried to remove from the statutes legislation that is far too dictatorial and stringent for peacetime. I have tried to retain from the existing legislation only those powers which are reasonable peacetime powers for carrying out the procurement duties involved in the defence of Canada.

I am curious as to why the minister realized in 1950 that the powers required for an all-out war effort are not suitable for peacetime, and why he now turns his back on his viewpoint of five years ago.

It is a fact of history that most civilizations of the past, setting out to make sure that they would continue into the future, taught that their sole danger was from without, and that they could be destroyed only by attack from without. History teaches us, however, that in nearly all cases civilizations have ceased to exist not as the direct result of attack from without but because of rot from within. And the principles upon which they first prospered were whittled away to such an extent that eventually those civilizations collapsed from within.

That is my fear at the present time. Many people take the shallow view that progress is inevitable and democracy is permanent. I see no reason why our civilization or our way of life should be considered immune from the forces which have existed throughout history. I feel there is a real danger that in our efforts to defeat totalitarian attack from without we will destroy our civilization from within. To my mind that is a great threat.

Many people realize, too, that when we give extraordinary powers to any minister—and I am not casting any reflection upon any particular minister or any particular individual, because I make due allowance for human nature—such extraordinary powers tend to corrupt. I should like to quote briefly from a book entitled "Faith and Freedom", by Barbara Ward. This quotation is found at page 202, in these words:

After the French revolution, thoughtful men were profoundly impressed and disturbed by its brief showing forth of total dictatorship.

They came to believe that any attempt on the part of the community to concentrate all power—moral, political and economic—in the hands of the state and to use that power to bring about an earthly Utopia could result only in unmitigated despotism and the defacement of humanity. They appealed to the older traditions of Europe—incorporated in the political systems of Britain and America—to the separation of powers, to the supremacy of law over government, and governed, to the idea of a religious loyalty which transcends the state, and to a modesty in political aims which could recognize that paradise cannot be built and ordinary men deified by violent acts of state.

Mr. Howe (Port Arthur): What did Cleopatra say about it? Did she not have some comment along that line?

Mr. MacLean: I notice that the minister is attempting to make light of the statement that I have made.

Mr. Howe (Port Arthur): No; Cleopatra was quoted yesterday on another matter.

Mr. Fleming: No, there was no remark by Cleopatra. It was about Cleopatra.

Mr. Howe (Port Arthur): Was it Mark Antony?

Mr. MacLean: No. There is a great deal to be learned from history, and I commend a study of history to anyone with such aims. Anyone who would preserve our present civilization can certainly learn from the mistakes of the past.

Behind all the constitutional checks imposed by medieval theory upon the governors of society lay the perception that unchecked power will be abused. Power is never exercised in vacuo. It is exercised by men. Expose them to the possibility of unlimited domination and they seize it; all but a minute fraction of them will deteriorate in the process as the ego grows by what it feeds on. This is the lesson of all history. This is the fundamental reason why human freedom fills so brief a span in the long development of man.

I do not consider for one moment, Mr. Speaker, that this is something to be taken lightly, or that it is only a case of getting a bill enacted by this parliament within a certain length of time, or anything of that sort. It should be remembered that all dictatorial powers which get into a position of control do so by a gradual and insidious process. It behooves us to guard the ramparts of freedom, not only by military arms and by efficient military forces, although they are necessary, but by safeguarding the principles on which our free civilization and our democratic system of government are based.

I should like to read a quotation from a book entitled "The Urge to Persecute" by A. P. Davies. The quotation may be found on page 139, and reads as follows:

It is always "little by little". As James Madison warned us, "There are more instances of abridgement of the freedom of the people by gradual and silent encroachments of those in power than by violent and sudden usurpations."

Many peoples and many civilizations have realized their mistakes when it was too late. They looked upon trends that were taking place as necessary ones that were not especially dangerous, but before they realized it they had gone beyond the point of no return.

I should like to read another quotation from "The Urge To Persecute". It will be found on page 111:

> The time to deal with tyranny is before it becomes established; once entrenched, it maintains itself with ease against those who could have prevented it. This, unfortunately, is the lesson which, again and again, the human race has learned too late. The little courage which it would have taken to stop a would-be tyrant before he had achieved power was more courage than his prospective victims could muster. They wrung their hands, they muttered their dismay to one another, they whispered their fears—but they did not act. They were too afraid.

My suggestion, Mr. Speaker, is that now is the time to act. There can be no valid justification for the extraordinary powers which the government would have us give to the Minister of Defence Production. The purposes of the Department of Defence Production in the efficient procurement of supplies for the defence forces can be achieved without such extraordinary powers. I continue with the quotation:

> Yes, evil ascends unchallenged, not because it is unrecognized as evil but because good people are not brave enough to check it. It is all in those six short words: "For goodness dares not check thee."

This United States writer goes on to say:

> That is what has been happening in our own country in the last few years. Not that we are yet ruled by tyranny; we are still a free people who elect our own government. But we are indulging tyrannous elements that operate under the protection of our government. In the eyes of many, what these elements are doing is not alarming; if there is wrong in it, it must be condoned because of the end it serves—or which they think it serves. They do not see that this is how tyranny has always been excused—until too late!

I should like you to pay special attention to these words:

> No would-be tyrant announces that his aim is power; he is the protector of the people, warning against their enemies, the popular champion of a plausible crusade, a persecuted hero, intrepid and dauntless amid the host of his detractors. Thus he presents himself, and although his character is plainly manifested by his deeds, thus he is accepted —by too many until it is too late.

I believe that is exactly what is happening now. This extraordinary legislation is being justified in the name of the protection of freedom. It is being justified because the minister admittedly has to work under difficulties, and the procurement of sufficient defence supplies is naturally a great problem.

For all of these reasons attempts are being made to justify this very extraordinary legislation.

The quotation I have read is only one man's opinion, it can be argued. It can be said that it does not carry any more weight than anybody else's opinion. The man who wrote it happens to be an authority on the study of present-day history, and I think his opinion is worth while. Nevertheless we can test the validity of the opinion. We can consider for a moment the statements that have been made in support of this legislation. It has been said that this legislation is necessary because it is for the good of the employees of the Department of Defence Production, who want to know that there is permanency in their jobs. It has been said that it is a good thing because it will help in the procurement of munitions and supplies for the defence of freedom, which is a worthy cause. It is justified on the flimsy suggestion that you cannot have a Department of Defence Production without extraordinary powers. Those extraordinary powers are justified by the statement that they will rarely be used, that likely they will not have to be used in the future so there is no harm in having them since they will not actually be brought into operation.

That reminds me that our most recent dictator came to power under constitutional law, using the ordinary and recognized methods of gaining power to a great extent. Adolf Hitler came to power in Germany by having a large group of his party elected to the parliament of Germany in election after election, supported by the socialists. I think they are familiar with what nazism stands for.

Mr. Gillis: The socialists were in the internment camps.

Mr. MacLean: Nazism happened to stand for the nationalist socialist workers party.

Mr. Gillis: The hon. member has not read his history as well as he should have. He is at the wrong end.

Mr. MacLean: I admit that the party was backed by the industrialists, who went along because they wanted to curry favour with what they considered the strongest party. They realized their mistake, as many people do, when it was too late. As I was saying when I was interrupted, the nazi party in Germany came to power by using the accepted methods of politics in that country to a great extent, until eventually by negotiation with

other parties and by dealing with the communists and by the use of other methods they obtained a majority in the German parliament.

Hitler gained his first important position of power by the passage of a bill in the German parliament. It was a simple bill, and it was said that its provisions would not need to be used and it would do no harm. Just as we have been told now, it was said that the rights of parliament would not be disturbed or lessened. When I listened to the explanations given by several members of the government—I say this in all sincerity—they unwittingly and by absolute chance reminded me of Hitler's statement in the German parliament when he introduced the enabling bill of which I am speaking. I took the trouble to look up his speech, and these were Hitler's words on that occasion:

> The government will only make use of these powers in so far as they are essential for carrying out vitally necessary measures. Neither the existence of the Reichstag nor that of the Reichsrat is menaced.

It would not interfere with either houses of parliament.

> The position and rights of the president remain unaffected. It will always be the foremost task of the government to act in harmony with his aims. The separate existence of the federal states will not be done away with.

In other words it would not interfere with the rights of the provinces.

> The rights of the churches will not be diminished, and their relationship to the state will not be modified. The number of cases in which an internal necessity exists for having recourse to such a law is in itself a limited one.

The law is justified because the occasions on which you could possibly use it are few and far between.

> All the more, however, the government insist upon the passing of the law. They prefer a clear decision.

Every sentence in that statement has a familiar ring.

Mr. Howe (Port Arthur): I think I should say that no member of the government has ever said that these provisions are not to be used if the occasion arises where they are required.

Mr. MacLean: That is exactly what I am saying. The speaker on this occasion did not suggest they would not be used, either, but he justified their existence by saying it would be necessary to use them only rarely.

Mr. Howe (Port Arthur): I never attempted to justify it on that ground. My hon. friend is dragging in extraneous material and trying to make it fit.

Mr. MacLean: I admit that the minister is annoyed, but I quoted from that particular speech because I was reminded of it by what has been said in the house during the last few days. I have not said what I have just said for the pleasure of annoying the minister or any other member of the government. If I happen to be annoying them—

Mr. Howe (Port Arthur): Just to kill off another ten minutes.

Mr. MacLean: Not to kill off another ten minutes, either.

Mr. Drew: Ten minutes is not long when you are trying to kill off a parliament.

Mr. MacLean: It is because I believe in the democratic way of life which was established by our forefathers that I think it behooves us to protect that way of life by retaining our parliamentary system which has been gained with such great difficulty. I feel sincerely that these things must be protected, not only by means of war or military defence but also by the exercise of unspectacular and tedious methods through the use of free speech and seeing that no undemocratic bits of legislation creep into our code of law.

This piece of legislation is being enacted because there is a threat of communism, and we must make ourselves strong against that threat so we may bargain from strength. The vast expenditures of treasure and energy which are being made for defence purposes by the western world are being made to defend our way of life. It is just as necessary to defend our way of life in less expensive ways.

In closing I should like to sum up this point of view by another quotation from a book from which I have quoted already, called "The Urge to Persecute" by A. P. Davies. This quotation will be found on page 212. The book was written by an American, and it looks at the problem from the American point of view. It is a point of view that applies not only to the United States but to Canada as well, and to the whole western world. He says:

> If our cause is just, if we are worthy of it, if we serve it wholeheartedly, the laws of God are with us.
>
> We have not sufficiently remembered this. It is not that we have done badly in all respects. In some we have done well. We have fed the hungry, succoured the needy, defended the oppressed, resisted the aggressor, pled for peace. But we have also distrusted—many of us—our great traditions and we have lost confidence in our freedoms.
>
> Communism is the enemy. But we cannot defeat it by remaining as we are. We cannot shorten the struggle. We cannot subdue it by force of arms without inviting—even if we won—a measureless catastrophe. We must wear it down.

We must resist its aggressions and be alert to its conspiracies. We must outplan it, outperform it. We must carry our way of life to a level that leaves communism a hopeless and irrelevant contender. Our truth must defeat its falsehoods, our liberty its servitude, our justice its oppressions, our compassion its cruelties, our faith its cynicism, our humanity its degradations and debasement.

We cannot do this if we lower our own standards and betray our principles. That is why we must rebuke those who say that they are fighting communism but who are careless of our moral values. They could all too easily lose us the battle. For the struggle is not between communism and a debased democracy; that would be a struggle that we could not win. The real struggle—and the one we can win and must if we are to survive—is between communism and democracy's moral values.

Mr. Speaker, for these reasons I find it impossible to support this measure in its present form. In saying that I do not minimize in any way the importance of our military forces or the importance of having them adequately equipped. However, I do believe there are better ways of achieving that objective than what is suggested here. I believe those objectives could best be achieved by setting up a defence production department on a permanent basis like any other department of government, but having these extraordinary powers limited to those which are appropriate in a situation which is short of all-out war.

For myself I freely say that if the government would come forward with any reasonable compromise limiting these powers, either in extent or by a time limit, or finding some solution that will break up this bundle bill that is being handed to us, I would almost certainly support it, if there were no other strings attached. But I cannot possibly vote for this legislation as it now stands.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, this afternoon the hon. member for Vancouver-Quadra (Mr. Green) made a thoughtful suggestion in answer to the minister. He pointed out a simple alternative in keeping with the views expressed by the minister on the 2nd of March, 1951, when he stated that these powers should not be of a continuing nature, apparently because of their absolute nature. However, there has been no suggestion on the part of the government that it intends to deviate one whit from the trend that apparently is to be followed, of establishing for ministers of the crown and this government an absolutism.

It begins to look, from what we heard this afternoon through the press, before parliament opened, that in the department of defence as well a spirit of absolutism is coming into being. One wonders, in view of the paucity of the explanation this afternoon, whether General Simonds is about to depart from the service of this country because of a lack of sycophancy in his attitude to the government. Certainly that is but another example of the trend that is revealed in this legislation now before parliament, which in effect emasculates parliament and places the minister in a position where he is all-powerful, under a statute which places him above parliament by the extension of powers far beyond those that are necessary, regardless of what conditions may be.

The Prime Minister introduced this legislation. The Prime Minister's place is in this house, to explain why such extraordinary powers are being asked for an indefinite period into the future; why the pathways of absolute power, which was previously limited, are to become under this legislation the highways of permanence. This is a serious bill. It is one that in its simplicity looks innocuous, but on examination it reveals that continuing trend to absolute power. Under this legislation the Minister of Defence Production will have granted to him absolute power for an indefinite period into the future, uncontrolled by parliament.

As I sat and listened to the debate I waited for something other than the specious explanation given up to the present time as to the reason for the change in attitude from that of 1951.

On motion of Mr. Diefenbaker the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Sinclair: Mr. Speaker, we shall continue with this debate tomorrow, and when it is concluded we shall take up the estimates of the Department of Agriculture.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, June 9, 1955

The house met at eleven o'clock.

PRIVILEGE

MR. DREW—RELEASE TO PRESS OF CHANGES IN NATIONAL DEFENCE DEPARTMENT

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege. Yesterday, at the opening of the house, I raised the question of the statements that had been given to the press just before the house met. Naturally, I had not had a chance to read those as they were just handed to me as I came in before I raised the question about those announcements being made outside the house. The Prime Minister (Mr. St. Laurent) replied, and in the closing part of his remarks he said this:

> . . . we will consider whether a change should be made in the matter of reporting to the house, before the public is informed, the usual permutations that take place in the civil service, even when it has become apparent that, either through speculation or otherwise, there has already been publicity in the press about the probability of their being made.

I realize that just as I had only received the press reports when I came in so also the Prime Minister only had this subject raised when I made my comments in the house. For that reason I can quite understand that there may not have been a consideration of all the aspects of these announcements that he would have an opportunity to give since that time. I do point out however, Mr. Speaker, that the suggestion that these announcements simply represented the ordinary permutations is inconsistent with the facts and it is on that basis of privilege that I raise this at the moment.

General Guy Simonds was appointed chief of staff on February 1, 1951. On the very day that he was appointed and the announcement was made, General Charles Foulkes was appointed chairman of the Canadian chiefs of staff. He moved up from the position of chief of the general staff. I have nothing but admiration to express for General Foulkes. If, however, these were merely the ordinary permutations in the movement of officials, then at this time—

Some hon. Members: Order, order.

Mr. Harris: Mr. Speaker—

Mr. Drew: Mr. Speaker, unless members on the other side no longer even want to know matters of important business coming before the house, then I suggest they restrain their comments and not try to interfere with suggestions that we get the information to which we are definitely entitled.

Mr. Harris: On a point of order; I listened to the Leader of the Opposition (Mr. Drew)—

Mr. Drew: Mr. Speaker, my remarks were directed to the Prime Minister.

Mr. Speaker: I understand the Minister of Finance was rising on a point of order.

Mr. Harris: One always permits the beginning of a question of privilege until one hears what it is. As I understand the remarks of the Leader of the Opposition, he is attempting to launch into a debate as to the past practice, about which some reference was made. That is a matter of opinion and a matter of debate; it is not a matter of privilege.

Mr. Drew: Mr. Speaker, I am not attempting to launch into a debate. I am stating what the facts are. And I hope that when the Prime Minister rises he will deal with the fact which he now has had an opportunity to examine, and that he will explain to the house why the best qualified staff officer has been released from the service.

Some hon. Members: Sit down.

Mr. Drew: Let the iron curtain fall.

Mr. Speaker: I am sorry to have to interrupt the Leader of the Opposition, but a point of order has been raised by the Minister of Finance (Mr. Harris) after which the Leader of the Opposition was allowed to explain. That is why I let him present his explanation in relation to the point of order. But I noticed that he was carrying on an argument from his own position with respect to a question of privilege which he raised yesterday. I do not know whether at this moment the Leader of the Opposition has terminated his remarks. If he has not, then I shall have to tell him that I have *Hansard* of yesterday before me and I notice that he raised a question of privilege stating as his question that an announcement which had been presented to the press should have been made to the house prior to its delivery to the

press. To him the Prime Minister (Mr. St. Laurent) replied, as to that particular aspect of the matter.

Then today the Leader of the Opposition seems to argue with respect to the reply that was given yesterday by the Prime Minister. It seems to me that there will be an opportunity to discuss the propriety or the impropriety of delivering news to the press prior to its being given to the house when, let us say, the estimates of the Department of National Defence are before the house, at which time the Leader of the Opposition will have full opportunity to go into the significance, as he sees it, of these various permutations which were announced.

In the mind of the Leader of the Opposition these permutations were not ordinary ones. On the other hand, the Prime Minister has indicated they were just the ordinary permutations which from time to time are announced through the usual channels, and which frequently are given to the press.

I think the point the Minister of Finance has made is well taken, and that what the Leader of the Opposition has risen to do is a question for argument and debate. Indeed, I think even yesterday the Leader of the Opposition was close to not raising a proper question of privilege. Therefore I think we ought to leave the matter at that for the time being. Presenting reports—

Mr. Drew: No; I trust, Mr. Speaker, you will not deny me the opportunity to point out that I am not dealing with the question of the delivery of information to the press; and I made that clear. I am dealing with a statement made to this house by the Prime Minister of Canada, a statement that manifestly, on the basis of the facts, is not accurate. I am hoping the Prime Minister will accept that statement.

Right Hon. L. S. St. Laurent (Prime Minister): I must protest against this attitude of the hon. gentleman which is so reminiscent of what took place in the first period after his entry into this house. The hon. gentleman has a good many privileges, but he has not the privilege of determining the manner in which public business will be dealt with, unless it be on grounds that are serious in themselves.

We were told repeatedly after the hon. gentleman came here that the manner in which this house was conducting its business was entirely wrong. I have ascertained that the manner in which this announcement was made is that which has been followed since the very first days of this parliament.

Mr. Drew: It was not followed the day before.

[Mr. Speaker.]

Mr. St. Laurent: There have been several occasions when important appointments to the public service have been made while parliament was in session, and none of the hon. member's predecessors, as leader of the opposition, or none of my predecessors as prime minister, has felt that it was a discourtesy to the house to hand releases to the press without making any statement about them in parliament. I have ascertained that since I became Prime Minister there were four or five occasions when deputy ministers were appointed and the announcements were made in the manner that had been practised from the very first days of our parliamentary institutions, without any comment whatsoever that it was a discourtesy to the house, and it certainly never was intended by any of those who occupied either the office that my hon. friend occupies or the office that I occupy that there be any discourtesy to the members of the House of Commons.

Now, as to the appointments made in the army, they are the primary responsibility of the Minister of National Defence (Mr. Campney), and we all share with him that responsibility. If any discussion is to be made about the manner in which he exercises his responsibility as Minister of National Defence there will be an appropriate time for making it; but it certainly is not a violation of the privileges of the members of this house to announce what has been done in the manner in which these announcements have always been made.

Mr. Drew: Mr. Speaker, on a question of privilege, I would point out that quite contrary to what the Prime Minister has said, it was only the day before that the Minister of National Defence chose to come into this house to announce a change in regard to another officer. If it was proper to do that, it was certainly proper to do it when the most highly skilled army officer that this country has produced was being relieved of his service in the Canadian army.

AGRICULTURE AND COLONIZATION

Second report of standing committee on agriculture and colonization.—Mr. Jutras.

COMBINES INVESTIGATION ACT

REPORT ON ALLEGED COMBINE IN MANUFACTURE, SALE AND DISTRIBUTION OF BEER

Hon. Stuart S. Garson (Minister of Justice): I am tabling the report, both in the English and in the French languages, concerning an alleged combine into the manufacture, sale and distribution of beer in Canada.

QUESTION

EXPORT OF SPRUCE LOGS, B.C.

Mr. Barnett:

1. Were any unmanufactured spruce logs exported from British Columbia in the years 1953 and 1954?
2. If so, what are the names of the firms which exported these logs?
3. What was the quantity of logs exported by each of the exporting firms in the respective years?

Mr. Dickey:

1. Export of spruce logs through customs ports in the province of British Columbia were as follows:

Year 1953	389 M ft.
Year 1954	63 M ft.

2 and 3. Names of firms and quantity exported by each firm are not recorded.

LABOUR CONDITIONS

UNEMPLOYMENT—ANNOUNCEMENT OF DATE OF DOMINION-PROVINCIAL MEETING

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, yesterday the hon. member for Assiniboia (Mr. Argue) asked me if a date had been fixed for the meeting that is to be held to consider the information obtained about unemployment relief. I told him that I was having a meeting with the committee of the cabinet and officials to go over the information. We had that meeting, following which I telegraphed the ten provincial premiers suggesting Monday, June 20, and if necessary Tuesday, June 21, for that meeting with them or their representatives.

SOCIAL SECURITY

REFERENCE TO ADVERTISEMENT IN OTTAWA "JOURNAL"

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I wonder if the Minister of National Health and Welfare has had time to look at the two-page spread in yesterday's daily papers where the following appears:

> Welfare . . . Premier Frost's initiative at Ottawa secured old age pensions for all at 70 and for needy senior citizens at 65.

Would the minister care to comment on the accuracy of that statement?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I am not surprised that any hon. member sitting in any part of this house would want to raise that question. The hon. member for Vancouver South (Mr. Philpott) indicated to me that he intended to ask the same question. I may say that about a week ago I made a statement and took public issue with the very contention to which my hon. friend is referring, but in another context.

As everyone knows, including the premier of Ontario, the fact is that the old age security program providing for a means-test-free pension was the product of a parliamentary committee of this house, which was followed by a recommendation made to the house by the present government, as the result of which the people of Canada through federal action now have a non-means-test old age security provision. The fact is that at the conference when this matter was discussed the premier of Ontario, undoubtedly acting with the best intentions, took issue with the scheme in its entirety as presented by myself at that time as Minister of National Health and Welfare.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the minister a supplementary question? In view of the increase in the cost of living and the decrease in purchasing power of the dollar since the $40 pension was brought in is the government considering increasing this amount?

Mr. Martin: The government is continually giving these matters attention and I hope that my hon. friend, who has influence with certain provincial governments in certain parts of Canada, will see that they give the same consideration to this that other provinces have.

INTERNATIONAL TRADE FAIR

SUGGESTED SUPPORT BY ONTARIO GOVERNMENT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I ask the Minister of Trade and Commerce if, in the light of the statement by the premier of Ontario reported in today's press concerning the carrying on of the international trade fair, the minister's officials will be instructed to enter into early discussions with the province so that continuity may be assured after this year's fair?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have not seen the press report, but I am told that the premier of Ontario made a statement that the province would carry on the fair. I made a statement yesterday in the house that, if the province decided to do that, we would be glad to turn over all the equipment and to give all the technical advice that this government has at its disposal. The moment we are approached in the matter by the province, we will give immediate attention to all matters necessary to give the fair continuity.

Inquiries of the Ministry

Mr. Roland Michener (St. Paul's): Would the right hon. minister enlarge his statement to include the carrying on of the trade fair by the city of Toronto or other agencies which might be interested in taking up from the beginnings which have been made? As I understood his statement, it was limited to the withdrawal of federal financial support.

Mr. Howe (Port Arthur): Mr. Speaker, the government is withdrawing sponsorship of the international trade fair for reasons that we believe are sound. I said yesterday that we would be glad to turn everything over to the province of Ontario, but I think I should not expand that offer until I get requests. Since we are withdrawing from the fair, we will consider any request made by a capable and bona fide public body that wishes to carry on the fair.

EXTERNAL AFFAIRS

ACCEPTANCE BY CHANCELLOR ADENAUER OF INVITATION TO VISIT MOSCOW

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Would he be prepared to make some comment on Chancellor Adenauer's acceptance of an invitation to go to Moscow, and does he consider the acceptance of that invitation as somewhat difficult to understand in view of the recent admission of West Germany into NATO?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I knew that the Chancellor of the Federal Republic of Germany had been invited to Moscow. I did not know that he had yet accepted the invitation. I understood this morning that it was still under consideration. But whether he accepted or not, I am quite sure that Chancellor Adenauer will be able to take care of the interests of his country and himself, if and when he goes to Moscow.

INQUIRY FOR RETURN

D. R. BISHOP

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the parliamentary assistant to the Postmaster General? Can my hon. friend tell me when I might expect the tabling of a return ordered by the house quite some time ago, on January 24, 1955, involving correspondence with a certain self-appointed director of patronage in the province of New Brunswick?

[Mr. Howe (Port Arthur).]

Mr. T. A. M. Kirk (Parliamentary Assistant to the Postmaster General): It must be a case of mental telepathy, because only this morning I was asking the officials if the return was ready, and they assured me it would be early next week.

DEFENCE PRODUCTION ACT

AMENDMENTS RESPECTING SALARY OF MINISTER AND EXPIRY OF ACT

The house resumed, from Wednesday, June 8, consideration of the motion of Mr. Howe, Port Arthur (for Mr. St. Laurent) for the second reading of Bill No. 256, to amend the Defence Production Act.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I had commenced last evening to deal with this matter, and at the time I was concluding I had asked consideration by the Prime Minister to his participation in this debate; for he himself introduced this resolution in March and as yet has not given the views of the government, in particular with regard to the constitutionality of this measure and also to the degree to which it interferes with the rights of the individual and denies him under several sections recourse to the courts. I mention the question of constitutionality for this reason. In the act as it is now constituted there is nothing to indicate in any way on the part of parliament that an emergency exists, nor is there any declaration of emergency in that act. Immediately someone might say: This is the act that was passed in 1951; if the act has been operative since then, is not that the answer to the question that I propound? I submit, however, that that is not the case, for in 1951 the Emergency Powers Act was part and parcel of the law of this country. Under that act there was a declaration of emergency which in effect, under the authorities, grants the right to the federal parliament to invade provincial rights and provincial subjects of jurisdiction under the British North America Act.

I think it is particularly pertinent to recall to the Prime Minister his words in 1945 when dealing with the introduction of the first of the emergency acts. As reported at page 2451 of *Hansard* of that year he pointed out:

> I think that only a declaration of this parliament will be sufficiently impressive upon the Canadian people to be accepted as to whether or not there exists a condition which gives to some of the things normally within provincial jurisdiction aspects which require that they be dealt with in another sphere in the national interest.

In the course of his remarks on that occasion he dealt particularly in detail with the Fort Frances pulp and paper company case. At that time he set out his conclusions with

regard to the whole question of federal emergency legislation having the right to invade provincial jurisdiction and provincial fields of legislation and, incidentally, at the same time mentioned that legislation such as this should be limited. At that time the original act was limited to a period of one year.

I mention this matter because the present legislation has no longer, to bolster it up, the declaration under the Emergency Powers Act to the effect that parliament has declared that an emergency exists. Without that declaration, are the courts to conclude—contrary to what they have decided in the past—that the legislation now before parliament will be within the constitutional jurisdiction of parliament? I ask the Prime Minister whether he has given consideration to that fact, for certainly the situation has changed greatly within the last year since the emergency powers legislation was permitted to lapse.

Commencing on that note, may I say that I think we in the house as well as the people of Canada generally have the right to hear the Prime Minister on this question and to ascertain from him his views on this important matter, and in particular whether or not consideration has been given to the fact that the emergency powers legislation is no longer in effect in this country. I am not going to attack the act which we are asked to extend indefinitely, or the carte blanche on powers which parliament is being asked to extend indefinitely, by simply attacking the whole act. However, I am going to mention two or three sections in this act that constitute, in my opinion, an encyclopedia of powers that any glutton for power would envy the possession of. In some sections it places the minister above the courts, and in other sections the governor in council. It denies any challenge from the court and by the courts. Indeed, it can be summed up in much shorter form by stating that I, the Minister of Defence Production (Mr. Howe), have absolute power except within the limitations contained in two or three sections. This is not the production of the Prime Minister (Mr. St. Laurent), it is the handiwork of the Minister of Defence Production himself. In 1951 that minister used these words: "I have supervised the drafting of this bill." In other words, every power conceivable and inconceivable that would make a minister almost all powerful has been incorporated in this act.

Originally, parliament was going to have the opportunity in a matter of three years to review the powers. The minister's stand now is: we need this act; it must be continued for an indefinite time in the future. The Prime Minister said the two reasons for needing it for a non-terminable date were the fact that conditions today are still difficult internationally and that the officials of this department wanted to be assured of the permanence of the department. I thought the hon. member for Vancouver-Quadra (Mr. Green) covered that question yesterday when he stated, upon being challenged by the minister as to how that could be achieved, we could have the department made permanent but the powers reviewable at an appropriate expiry date of one, two, or three years as the case might be. View that act in all the amplitude of its powers and tell me not that similar powers are vested in the government of Great Britain. I have the latest act, 1951, here and they did not find it necessary to pass legislation giving the minister powers unchallengeable in the courts in certain sections of the act and in other sections of the act placing the government above the control of the courts of the land.

I know this subject will interest the Prime Minister, because as a former president of the Canadian Bar Association he spoke on more than one occasion, as I recall, of the power of the rule of law and the need for its preservation and maintenance. I ask the Prime Minister now: Do you have to circumvent the rule of law in order to achieve power under this legislation? Nothing of the kind! Have the powers, but in order to assure that no individual shall be discriminated against and denied equality before the law, to assure that the individual shall not be a puppet in the hands of the minister, give to the individual who is able to establish that he has been discriminated against a right of review by the courts of the land. Surely, we have not arrived at a state of mind in this country when parliament is asked to abdicate the rights of the courts for an indefinite time in the future in order to satisfy the desire for power of any minister or of any government.

Review this legislation; review it in detail and dispassionately. There is an immense number of possibilities within this legislation. There are invasions of provincial rights and jurisdictions, and those rights and jurisdictions are, in several cases, placed above the law. Let me refer to one or two sections. The only sections to which I shall refer are those to which the argument applies. In some sections there is a provision for the protection of the rights of the individual, but qualified or diminished to a great extent. In others, there is none.

Let us take section 28 as an example. Section 28 reads as follows:

> The governor in council may, by order, direct that a person shall not be bound by any obligation, restriction or limitation imposed on that person by

or under any statute, order, rule, regulation, by-law, or contract with respect to such matters as may be specified in the order affecting the entry into or performance of a defence contract by that person or the carrying out of an order made by the minister under this act.

I ask the Prime Minister to let the house in on the secret as to how power can be given to the governor in council to interfere with a contract made within a province. Where is that power? Where is the declaration of emergency that ordinarily is used as a subterfuge or means in order to invade the constitution of this country? There is not one reference to it in this act. I ask him this. Does he, as an outstanding constitutional lawyer, suggest that if in the province of Ontario a contract has been made as between A and B for the delivery of certain goods or substances, which afterwards are declared by the Minister of Defence Production to be needed for defence, parliament can by a simple statement like that delegate to the governor in council the right to say, "You are bound under your contract but we release you from that contract." Do not tell me we have arrived at that position in this country where a government, absolute in power, can interfere and make a plaything of the constitution and its rights.

Will the Prime Minister say that if under the statute of a province certain rights are determined for an individual, this parliament could, without a declaration of emergency, under that section say to the individual, "While under the provincial statute you are required to do a certain thing and undertake a certain obligation, the governor in council releases you from that obligation." If we have, then the constitution, in the hands of this government, indeed has become the bauble of the Minister of Defence Production and the government itself. Supposing a by-law of a city is passed whereby certain rights are secured by an individual in the province of Quebec. Can the governor in council, by order, direct that a person to whom liability attaches under that bylaw is no longer subject to the law because the Minister of Defence Production does not consider he should be? I ask the Prime Minister to consider that.

I look at section 31 and ask the Prime Minister: Without a declaration of emergency and without the assistance of the emergency powers act, does he say—if he does parliament will listen with the greatest of interest—that the powers contained therein can be exercised? These are amongst the powers:

The governor in council may do and authorize such acts and things, and make from time to time such orders and regulations as he deems necessary to control and regulate the production, processing, distribution, acquisition, disposition or use of essential materials . . .

Section 31 (2) (f) says—

—fix the maximum prices, either by determining the selling price or the mark-up, at which and the terms and conditions on which any essential materials or essential services may be sold or offered for sale by any person—

Have we come to a condition of affairs in this country where any person occupying the almighty position of a minister of the crown in the federal parliament can, with the assistance of the cabinet, fix prices—not the prices of things that are to be sold to the government, or under this legislation, but just to "fix the maximum prices". And I will read it:

—fix the maximum prices . . . on which any essential materials or essential services may be sold.

Have we arrived at a position in Canada where gluttony for power will permit the governor in council to say, "I fix the price of essential services on hydroelectric"—to do which they will have the power under one of these sections? Have we arrived at the point where the governor in council may say to an individual in any province in this country, "You dare not sell what you have on hand, or offer it for sale to any person, except at prices that we fix." No wonder the minister said, "I drafted the statute". Yes, and what is next:

and require any seller to refund to any buyer any sum or consideration received in excess of a maximum selling price so fixed.

I ask the Prime Minister this: If I in the province of Saskatchewan have certain things on hand, and the Department of Defence Production does not take them over when I have them on hand, can he give the authority to the governor in council to say to me, "You shall not sell that, except at prices we fix."

If you have gone that far, then certainly you have laid the foundation for galloping socialism in this country. You have done a job. You have done the job effectively. The constitution heretofore was able to protect provincial rights over property and civil rights. Here, in one line, you are asking for the right to fix the price, to determine the maximum price, and in the next the right to determine as between private individuals dealing with those things. And if you are not satisfied with the deal as it was made, you come along and say, "I order you to refund to the buyer any sum in excess of the maximum selling price."

I am asking the Prime Minister this: Does he consider that that type of legislation is in keeping with the protestations we have heard for so long from the government of the

day, and from the government of the Prime Minister's predecessor, Mr. King, of the awfulness of the invasion of the rights of the provinces? I ask the Prime Minister: Have we arrived at that point, considering that only a few years ago the Prime Minister said: "We cannot fix prices, except under emergency legislation."

Today, has the constitution been changed; have alterations been made; and has it been diluted down so that now the Minister of Defence Production (Mr. Howe) has the power to fix prices in any province in deals of private contracts? If that is so, then we have proceeded a long way.

Yes, and it also gives the right, as I said a moment ago, under the preceding section, by order, to direct that a person shall not be bound by any obligation, restriction or limitation imposed on that person by or under any statute. Have we arrived at the point in parliament when what was done during the days of war, at which time by order in council this government had the power to suspend, amend and abrogate statutes passed by parliament—and did—I say, in days of peace are we going to give to the governor in council authority, regardless of laws passed by parliament, in statutes, to interfere with and to change them? If we are, then parliament is indeed going on a vacation.

And I ask the Prime Minister this: Supposing there is a statute in Ontario that provides that I shall deliver, or that people in my classification shall deliver certain things, are you going to have the authority under this act, as now worded, to say, with respect to that statute in Ontario, "We, the governor in council, are above it." I wonder sometimes how much consideration was given to the several sections to which I intend to refer. There are sections that provide recourse to the courts, protecting the rights of the individual. But under certain sections of this act the federal parliament is given power to evade and circumvent the statutes of provincial legislatures at the will and the whim of the governor in council.

Now, what about the rights of individuals? The constitutional freedom of the individual is being preserved in one degree. Section 29 provides that the minister may conduct an inquiry. Over and over again I have heard leaders of the bar, such as the Prime Minister, in meetings of the Canadian Bar Association and outside it, demanding that we preserve the rights of the individual against the unfairness and the injustice of a denial of those fundamental freedoms and rights that every person of the British tradition has the right to expect—except during days of war, when parliament deliberately took measures as a security for victory.

But look at this subsection 3. They hold an investigation; and we have had one of these examples, in the Eldorado case. That was in 1945, during the days of war. Provision was made for the appointment of an investigator who was authorized to do anything he wanted, legally or illegally, and he was not subject to any action whatsoever, nor could any action be taken.

What do we find in section 29? It says:

> The minister may, whenever he deems it expedient, cause an inquiry to be made into and concerning any matter . . . arising out of . . . any group or series of defence contracts or any dealings in or with defence supplies.

And then:

> An investigator may allow any person whose conduct is being investigated under this act . . . to be represented by counsel.

He may "allow" it. Well, that certainly was a relinquishment to absolute power. And you know how that would be interpreted: "Provision is made that after you are charged you shall have counsel."

Well, I took it upon myself to look back to find out how many centuries ago the right to representation by counsel, and when one was not forced to speak without counsel being there, was established. I find it was in 1637, and the man, whose name is not as famous in history as his achievements warrant, was John Lilburn, who was brought up before one of these investigatory boards, the council of the star chamber. He wanted counsel, and they said, "You cannot have it." He said, "Then, I do not want to talk." But they had ways in those days, and they endeavoured to force him to talk, and finally found him guilty. He was punished because of "the crime of his boldness in refusing to take an oath". And those words are in quotation marks.

Even in the days of Charles I parliament sometimes acted. John Lilburn served his term. He came out and he filed a petition with parliament because his rights had been interfered with; that he had been placed in an inquisition that was a denial of his personal rights. Parliament acted. If you are wrongly punished here you have no right of recourse. But in 1641 he filed a petition with parliament on the ground that his imprisonment had been illegal. The House of Commons agreed and the House of Lords also agreed and they gave John Lilburn an indemnity of £3,000, which was a very large sum in those days. That happened in 1641, and in 1955 we are going to allow investigators to set up their own private courts, and they may allow counsel to be present.

Surely there is no reason whatever, with danger facing the country today,—and this is the year in which we are reducing defence expenditures—to deny to the individual the right to be represented by counsel.

I just cannot understand section 19. Imagine taking away the rights of the individual, despoiling him of his rights, and then denying him a right of action. Let me read section 19. I am sure the Prime Minister did not draft this, or even give an assist to the drafting:

> No person is entitled to damages, compensation or other allowance for loss of profit, direct or indirect, arising out of the rescission or termination of a defence contract at any time before it is fully performed . . .

You have the right to say to the individual, you shall perform this contract. He gets ready to perform it. Suppose it is building work on the D.E.W. line. He has to buy the necessary supplies and then the government comes along and says: well, the contract is rescinded. You have incurred a great deal of expense, but you shall have no right of action whatsoever. There was no need for that type of tyrannical inclusion in a statute in order to assure the preservation of our security.

These are some of the sections of the statute to which I am asking the Prime Minister to give consideration, to ameliorate them. You will have all the powers you need but you will not have absolute power if you ameliorate those sections that deny the individual the rights to which he is entitled, or to invade the constitution by a subterranean method such as this.

I have referred to section 28 and section 31. These are the major sections to which I take objection. I ask the Prime Minister why the inclusion of arbitrary powers such as these? The answer given is: we do not use them. What have you them for—a club, a threat, intimidation? Do you want the sword of Damocles to hang over everybody? Oh, we do not use these powers! Why have these inexcusable powers? In two particulars they are beyond anything that was used in time of war. Why do we need them today?

Then there is the other question, and I am not covering any of the ground that my hon. friends who preceded me have covered. The hon. member for Eglinton (Mr. Fleming) outlined the general picture in an outstanding address. All I am doing is pinpointing two or three sections. I am asking the Prime Minister why? What has changed since 1945? I say to the Prime Minister, through you, sir, that in 1941 he made a statement to the effect that these great powers should not be exercised for any great length of time. He said there should be periods, not exceeding one year, when parliament should review the situation. That is what they did in Britain. In 1951 my hon. friends agreed to a period of three years.

Mr. St. Laurent: Five years.

Mr. Diefenbaker: Five years; the correction is proper. Why the unlimited power today? What is the reason? Certainly we should not be overborne by the desires of potential bureaucrats who are fearful that at the end of five years the department is going to end. Make the department permanent, but make provision for the grant of extraordinary powers contingent on early review by parliament, and give consideration to the removal of these items to which I have made reference that I am sure the Prime Minister in his heart of hearts cannot justify.

Where is the rule of law? Have we placed the rule of law in the refrigerator of security? Is it put away? There is no need for that. Individuals have rights. Parliament has rights: the provinces have rights. I say to the Prime Minister. Do not answer me in the way I have heard the answer given in the last two days. We won in 1949 and we won in 1953; look at our majority. That is no answer to the interference with the rights of the individual with contractual obligations. With respect to constitutional power, read Burke. What did he say? What were his words? The tyranny of the majority is a multiple tyranny. No better answer can be given today than that. It is no excuse that you have a big majority. You need powers. We shall give those powers to the minister. Set up his department as a permanent one; but for the life of me I can see no justification to strangle the rights of the individual, to deny him counsel, to deny him the right of appeal to the courts, to place the governor in council in certain particulars above the law of the land.

I say no more, sir, but I do ask the Prime Minister to give consideration to this matter. As far as the Minister of Defence Production is concerned, he wants power. As far as the Prime Minister is concerned, in the grant of that power I suggest to the leader of this government that he see to it that provincial jurisdiction is not interfered with, that contractual obligations are not destroyed at the whim of the government, or of somebody to whom the minister sublets the power. And the power to fix prices as between A and B dealing with these commodities is something that should not be interfered with during days of peace.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I have listened with growing bewilderment and some concern to the

strange merry-go-round of talk that I have heard from the opposition benches in the past couple of days. I remember that some of the Conservative speakers were flattering enough to quote something that I had written on the need for the repeal of the emergency powers act. After hearing some of the unmitigated nonsense uttered in the past couple of days by some of the Conservative speakers in connection with this Defence Production Act, I am not so sure that I should be flattered to be quoted by them. The hon. member for Prince Albert (Mr. Diefenbaker) concluded by saying that the Minister of Defence Production and Minister of Trade and Commerce was lusting for power. I say that that is absolute nonsense and everyone in this chamber, including the hon. member for Prince Albert, knows it is absolute nonsense.

Then my good friend and fellow-Vancouverite, the hon. member for Vancouver-Quadra (Mr. Green), went on at some length to say that the minister is lusting and thirsting for power, that the minister is attempting to set up a tyranny. I do not believe that there is a single person in this house, and I for one do not believe that there is a single person in the whole Dominion of Canada, who believes any such thing.

Then I heard the hon. member for Queens (Mr. MacLean) stoop to great depths last night when he compared the request of the Minister of Defence Production for the tools to enable him to carry on his job effectively with the request of Adolf Hitler for the granting of complete totalitarian powers in Germany. I say that that is not only an insult to one of the world's greatest statesmen that this country ever produced, it is an insult to the intelligence of every hon. member of this house.

Mr. Drew: Mr. Speaker, there have not been many interjections, but the hon. member has made several comments which should not pass unchallenged. Your Honour will find if you read the rule book that to say a statement by an hon. member is an insult to the house is not within the rules.

Mr. Deputy Speaker: Order. On the point of order raised by the Leader of the Opposition (Mr. Drew), if the hon. member for Vancouver South (Mr. Philpott) stated that the remarks made were insulting to the house I am sure he will be glad to withdraw them.

Mr. Philpott: I shall be glad to withdraw them and say that the statements made by the hon. member for Queens were most unfortunate and I think were the most regrettable I have ever heard in all my life, and I am getting along in years; in fact I am as old as the Leader of the Opposition.

Mr. Knowles: How unkind can you get?

Mr. Philpott: When I hear unjustified statements such as we have heard in this house in the past two days, statements which were completely unjustified and ungrateful when referring to one of the world's greatest business statesmen that this or any other country ever produced, I may perhaps be forgiven a personal reference which makes me realize that I am getting along in years. I happened to have the honour of assisting in the entry into this house of the very distinguished gentleman who sits on the front benches. I made speeches for him all over northern Ontario during the election of 1935. The only thing I have against him is that I had a very good joke which I used in I think nine of the ten speeches I made on behalf of the present Minister of Defence Production, but on the tenth night he spoke before me and swiped my best joke and left me with nothing.

An hon. Member: The biggest joke was the result.

Mr. Philpott: The results speak for themselves. When an hon. member gets up in this house and likens the request of the Minister of Defence Production, for legislation to enable him to carry on his job, to the request of Adolf Hitler for the concession of complete totalitarian powers in Germany, that, stated in the mildest and most parliamentary terms, is hitting so far below the belt that it should not be condoned by any hon. member in this house.

If there is one Canadian more than any other who is still in this house who did so much to overcome the menace of that same Adolf Hitler and to enable this Canada of ours to attain the place she has in the company of nations, it is the unassuming and modest gentleman who sits on the front benches of this House of Commons.

Unfortunately the hon. member for Dufferin-Simcoe (Mr. Rowe) is not in the house today because I wanted to set him correct on a quotation he made. I set him correct on one he made yesterday when he was here and I should like to correct another one of his quotations. He misquoted Lord Acton. He quoted Lord Acton as having said that all power corrupts and absolute power corrupts absolutely. If the hon. member for Dufferin-Simcoe or any other hon. member will look up the book of quotations he will find that the correct quotation is:

Power tends to corrupt; absolute power corrupts absolutely.

Mr. Fleming: A distinction without a difference.

Mr. Philpott: We have had enough misquotations. If the remarks of the Minister of Defence Production or of Lord Acton or even of Cleopatra, referred to by the hon. member for Eglinton (Mr. Fleming), are going to be quoted, let us have the quotations correct.

It seems to me that there are a few questions which have to be asked about this particular bill. The first is whether there is a world emergency. One day we hear the hon. gentlemen on the Conservative benches opposite shouting to high heaven that our armed forces are not good enough, that we should have a bigger army, a bigger navy, a bigger air force and a bigger everything else to meet the urgent communist menace, and then in the next breath saying that there is no emergency at all, that we do not need any Defence Production Act, that everything is sweet and lovely, that we should all relax and go to sleep for 20 years like Rip Van Winkle; when that happens we do not know whether the Conservatives are coming or going or continuing to go around in circles.

There is a world emergency and it is perhaps the most serious emergency there has ever been in the history of the world. While the political picture in Europe is tending to get better, the very fact that it has got better means that there will be a greater emergency across the northern boundaries of Canada. I do not think that any defence production minister in any country of the world has a more difficult and intricate job to do than our own Minister of Defence Production here in Canada. Let us give him the tools to do the job and do it right.

I submit that whatever else hon. gentlemen may want to say about the Minister of Defence Production it must be admitted that he has the experience that is needed to do this job. He knows how to do a job when he takes on a job as a result of 20 years' experience. He says that he needs these tools to do the job so I say we should give him the tools to carry on that job.

This brings me to another contradictory point. I am frankly amazed at some of my hon. friends who sit on the Conservative benches. Not only do they blow hot and cold as to the world emergency, not only do they say one day that we need a bigger air force and so on and then the next day say that we need no Defence Production Act at all, I believe they even—

Mr. Fleming: May I ask the hon. gentleman what member in this house has said that there was no need for the Defence Production Act?

Mr. Philpott: Perhaps I misunderstood the hon. member for Eglinton because in his 110-minute speech—

Mr. Knowles: 101 minutes.

Mr. Philpott: —he said so much that meant so little that I came to the conclusion his speech was full of sound and fury, signifying nothing. The Minister of Defence Production says he needs these tools to do the job. I say, let us give him the tools and let him finish the job. To get back to the point, my hon. friend is blowing hot and cold. In one breath we are told by the usually intelligent member for Vancouver-Quadra (Mr. Green) that the Minister of Defence Production is thirsting and lusting for power. Then we are told by some other member sitting on the same side of the house that it will be a sorry day for Canada when the present Minister of Defence Production has to give up his job.

The hon. member for Okanagan-Revelstoke (Mr. McLeod) says that it will be such a sorry day for Canada that we will have to have two men to do the job that is now being done by one man, the Minister of Defence Production. The hon. member for Broadview (Mr. Hees) must be needed in Toronto today, because he is away; but he has said that before very long Mr. Howe will have to step down, and when Mr. Howe steps down, they say, there will be some hope for the good old Tories at long last. I might say, what a vain hope! But we will let that pass.

Today we have to answer some very simple questions. Is there a world emergency? Of course there is a world emergency. Is Canada vitally concerned in the world emergency? Of course, Canada is vitally concerned in the world emergency. Do we need a ministry of defence production? Of course, we need a ministry of defence production. Do we need to make that department stable? How else can you have an efficient department? How else can you have people work for you willingly unless you make it stable?

Then I come to the final *pièce de résistance* of my hon. friends, the illogical members of the main opposition, who say, "Let us forget all about this Defence Production Act and wipe it off the statute books; after all, if anything very bad happens, let us invoke the War Measures Act." I have heard that from four different sources.

Mr. Fleming: Mr. Speaker, may I ask the hon. gentleman if he is suggesting that some member in this house has said that the War Measures Act should be invoked? No member in this debate has said the War Measures

Act should be invoked. On the contrary, the hope was expressed that the conditions would never arise under which the War Measures Act could be invoked.

Mr. Philpott: If my hon. friend had listened more and said less in the debate during the last two days, he would have noticed that on at least four different occasions members of the opposition have said that if we abolish the Defence Production Act, in case of need the War Measures Act—

Mr. Drew: Mr. Speaker, on a question of privilege, there must be some limit to the continued inaccuracies of the member for Vancouver South. No hon. member has stated or implied what he has just stated, and he knows it. He knows perfectly well that what has been said is that, if the circumstances of a condition of war arise, the War Measures Act is on the statute books. He knows perfectly well that the hon. members on this side have stated that they want the defence production department to be made permanent, but they do not want it to be made permanent with unlimited powers.

Mr. Pickersgill: Mr. Speaker, on a point of order, I hope you will note that the Leader of the Opposition has now spoken in this debate.

Mr. Philpott: Mr. Speaker—

Mr. Knowles: If so, how can the hon. member for Vancouver South speak again?

Mr. Philpott: Mr. Speaker, if I have misunderstood what I certainly took to be the plain meaning of the several statements of the opposition, all I can say is that it proves the words from the Holy Book of Wisdom, which says "In a multitude of words there is want of wisdom". Certainly that was my reading of what several members of the opposition said.

Mr. Fleming: You were not even in the house to listen.

Mr. Philpott: They say that if we abolish the Defence Production Act we can put our sole reliance on the War Measures Act, that we could invoke the War Measures Act if and when some particular necessity arises to give the government some emergency powers. I would submit to you, Mr. Speaker, that by invoking the War Measures Act before there is a condition of actual war in the world we would ourselves have contributed most terribly and disastrously perhaps to the very world crisis which we are endeavouring to avert.

Mr. Drew: Mr. Speaker, I would point out that the hon. member is not permitted to leave an inference on the record which is wholly inconsistent with the facts. He should know, if he does not know, that the War Measures Act can be invoked only in the event of war or apprehended war, and he should not seek to leave on the record of this house an impression which he knows, or should know, is completely unrelated to the truth.

Mr. Pickersgill: They cannot take it.

Mr. Philpott: I can thoroughly agree with my hon. friend, the Leader of the Opposition, that it would be a most disastrous and fallacious thing for this house to abolish the Defence Production Act and leave ourselves totally dependent on the War Measures Act, which we could not invoke unless there was an actual war, without gravely aggravating the present world crisis. I have tried to listen very carefully to the words of the hon. members of the opposition. Of course, I admit that at times I am confused by the two wings of the opposition. There are two wings to our Conservative opposition over here. There are the Conservatives with whiskers still and the Conservatives to my extreme right with their whiskers shaved off but under certain circumstances their whiskers would grow again very quickly.

Mr. Harkness: That remark shows how little you appreciate the situation.

Mr. Philpott: We do not often get assistance from the two wings of the Conservative party in this house. The only concrete suggestion I have heard from the members of the official Conservative opposition in this house is that there should be a cut-off date in this Defence Production Act.

Mr. Fleming: No, in the powers.

Mr. Philpott: I for one have listened for two whole days, waiting for some member of the official Conservative opposition either to move an amendment or to make a concrete suggestion so that we would have something to go on in this house, but all they do is complain and continue to go around in circles.

Mr. Roland Michener (St. Paul's): Mr. Speaker, the few interventions in this debate by members of the government and by members of other opposition groups have not done very much to clarify the issue which is involved here.

An hon. Member: The confusion is created by the official opposition.

Mr. Michener: The hon. member for Winnipeg North Centre (Mr. Knowles) seemed to leave the impression that the issue was the length of time which had been taken by the hon. member for Eglinton (Mr. Fleming) in

his very clear and able posing of the issue which is before the house.

Mr. Knowles: One hundred and one minutes without telling us where he stood.

Mr. Michener: That seemed to be the issue in the member's mind, the length of time in which the hon. member for Eglinton clearly raised the issue as it is seen by members of this party. The hon. member for Vancouver South (Mr. Philpott), who has just spoken, very cleverly has avoided the issue which has been raised by most of the opposition speakers. He has failed to discuss the powers which are carried forward in this bill, other than to call them tools. That is a very glib and easy way of disposing of the issue. By using a pat phrase, "give the minister the tools" he has, as he thinks, disposed of the issue. But the bill we have before us is Bill No. 256, to amend the Defence Production Act. The bill itself is quite simple in its terms. May I refer to the substance of the bill. One part of it deals with the minister's salary—which is not an issue—and the other part extends the Defence Production Act.

It may be repetitious but it seems to be necessary to repeat that the matter of extension of the Department of Defence Production is not an issue. If that were the entire content of the bill—or that plus the salary—there would be no issue before the house. The issue is not either of those matters. We agree on them. I agree with the argument put forward by the minister that there is a necessity for the Department of Defence Production or some such department. I agree that it must have a lifetime ahead of it and not be subject to termination if it is to be staffed with people of the competence required in such an important undertaking, and that therefore it is not satisfactory from the departmental point of view to be labouring under a deadline. I agree that such a department and its co-operation with industry in this country with a view to remaining on a defence footing is an essential and desirable objective, and it is something upon which I suggest all parties in this house would agree.

As has been clearly stated, the disagreement arises with respect to the powers which the government appears to have considered to be necessary to carry on the Department of Defence Production and for it to do its business. In other words, the issue before the house is the issue of the perpetuation of emergency powers, not only of the minister but of the governor in council, which powers are in fact emergency powers but are not defined as such and are not based on any declaration of emergency, as has been pointed out this morning.

[Mr. Michener.]

We have had in this country 15 years of experience of emergency powers. That is plenty of time in which to form an opinion of the necessity for and the circumstances in which those powers are necessary; how they operate; and what their effect is on the economy, the people of the country, the constitution, business and industry, and private rights and liberties. All of these things have been the subject of observation as the result of the exercise for 15 years—since 1940 or 1939—of emergency powers.

The authority for the exercise of those powers still exists, as has been well pointed out, in the War Measures Act; and those powers can be invoked again, if necessary. They have existed under the War Measures Act, under the emergency powers act, under various acts of parliament such as the ones creating the department of munitions and supply, defence supplies and others which were passed in the circumstances of a conflict which was an all-out contest between the western democratic countries and powers organized on totalitarian lines. I believe that every Canadian agreed with and endorsed the organization of Canada in a centralized or what one might properly call a totalitarian organization which was necessary in the circumstances to combat a similar mobilization of the entire resources of the nations with whom we were fighting. That centralization and concentration of emergency power continued, Mr. Speaker, after the war was over. It has been the subject of strong and, at times, acrimonious debate in this house, as to whether the necessity continues for those powers.

Well might the subject give rise to such debate because the powers which were exercised by the federal authority went far beyond its normal constitutional powers and it looked as though Canada were taking a shape and substance which was by no means normal for a democratic society. In other words, it looked as though it was assuming the permanent character and organization of a wartime economy. It was proper that that trend should be questioned because, as I say, the powers which were exercised by the federal authority went deep into the lives of the Canadian people, and went far beyond any authority which had been exercised by federal power prior to that date.

Examples will readily occur to the mind. The federal government acquired authority over rental which is purely a matter of provincial control. We all remember that the rent control regulations reached into the farthest villages of Canada and dealt with matters which are not the subject of federal legislation in normal times. The same thing

happened with regard to private property, which was dealt with in great particularity. I recall an instance in which a farmer up in northern Ontario was unable, without authority from Ottawa, to kill a pig he had on his farm for his own use. That authority was required under control orders of that time dealing with the use of livestock. We all remember that if a suit of clothes was to be made, the federal government prescribed how many pockets it should have and whether or not there would be a cuff on the trousers. We had the most minute control and regulation of affairs centralized in Ottawa.

It was naturally the desire of all Canadians to enjoy, in their personal affairs and in their property affairs, as much personal freedom as was consistent with the public interest and to be relieved of that great mass of regulations and controls. It was the desire of the municipalities and of the provinces to be restored to their normal authority under the constitution. Hence, when the fighting ceased, pressure was brought to bear to remove these extraordinary and emergency powers; and they have been removed, bit by bit. I suggest that we have before us today the last of the emergency powers of substantial proportions. As the minister has said, the emergency powers act itself was liquidated two years ago. In those circumstances I suggest that the government is under the onus of making a strong case before it asks parliament to continue these emergency powers. As I have said, this is the last of the emergency powers. These powers are due to expire on July 31 of next year. If they are to be continued, we should have some justification for their continuance. We are not asked to continue them for another period, even; we are asked to continue these powers indefinitely. It is therefore a perpetuation of what began in an emergency and should be limited to an emergency.

The question is whether there is today an emergency of such a nature as justifies the continuance of the powers for a period of time. There may be justification for a temporary continuance of these powers but the case has not been put to us in that way. We are asked to give a perpetual life to these emergency powers.

Now, Mr. Speaker, the principal objection and one of the main reasons why the government is under an onus to make a very clear case is that these powers interfere very deeply with the normal freedom of a citizen to deal with his property. The minister has indicated, rightly I believe, that there is no attempt to deal with Canadian citizens directly. In other words, there is no power to imprison or to order the person directly, but there are a great many indirect powers which affect personal rights, mainly the personal rights of property which have been enjoyed and which are the bulwark of this Canadian society. In my opinion you cannot continue to have a free society unless the people have economic independence and freedom which is not in any way dependent on the government. We have had, and we have submitted to, a condition of economic dependence for these few years which, if it were continued, would soon lead directly into some form of state socialism or state authority of a kind which is not consistent with free enterprise such as this country has enjoyed and should continue to enjoy in the future.

There are really very important issues involved, although they perhaps do not appear on the surface. It has been pointed out that this kind of control does commend itself to those who give a greater role to the state in peacetime, the socialists, who would organize affairs more completely through the state and who are prepared to nationalize a good part of industry. They do not seem to be concerned when authority of this kind is given to the state. This is because their political theories and views run in that direction. My whole belief is of a contrary nature. I believe that economic independence is essential to any kind of personal freedom in any democratic country. If everyone is dependent on the state there can be no survival of individual liberty.

What is the justification that has been put forward by the minister for these powers? I think it is stated perhaps as concisely as anywhere at page 4512 of *Hansard* for June 2, 1955.

Mr. McCullough (Moose Mountain): Is the hon. member talking about the economic independence of the unemployed?

Mr. Michener: I shall deal with my friend's interjection in due course, but I prefer not to be interrupted at this stage. The minister says this:

> I can tell this house that generally speaking a government order does not receive the same attention as a privately placed order.

In my opinion this is a most astonishing assertion, and one that in my experience I have never found to be true.

Mr. Howe (Port Arthur): How much experience have you had?

Mr. Michener: I have had quite a bit. I have lived my whole lifetime in this country, and I do not think the minister can make the same assertion.

> The reason is that generally speaking the government cannot put on as much pressure as does the private buyer. That has been my experience,

and that was my experience in buying for our defence procurement during the years when I had no act to support me.

The minister puts that forward as a reason for the need for these powers. What does he want to buy that he cannot procure? I have been looking at the Defence Production Act to see what kind of things are mentioned there. We all know in a general way what kind of things are essential to defence. Although we do not know the details of modern weapons, we do know in a general way what is needed and what prospects there are of procuring them on a normal basis of purchase without having to advance upon the supplier with the payment in one hand and a big stick in the other. Really that is the proposition the minister puts forward, that he and his department cannot obtain the supplies they need on the basis of free trade in the open market. He must have a club with which he can belt the supplier if he is not prepared to deal.

Now, what is it the government needs to obtain through this department? There are a great many elements that enter into defence, in fact defence could cover everything that is the subject of commerce. If one considers the definition in the act in its broadest terms, one finds it covers articles of all kinds. In these days perhaps even cosmetics would be covered as a necessary part of defence supplies because we now have women in the armed services. However, the main items are such things as ships. Under this government our shipping has gotten into such a condition that many ships are fleeing Canadian registry. We have a very small merchant marine left. There is no inducement to the ship owner to build for profit in this country, so the shipyards are only too ready to supply the government with such ships as may be needed. In my opinion there is no case made out for any problem in securing such ships as are required for defence.

Then, we come to the next item, motor vehicles. I do not think the minister suggests that the Department of Defence Production cannot be supplied with all the motor vehicles the industry is capable of making. The industry is only too ready and willing to supply such vehicles. Aircraft are in a different category because for the most part the aircraft industry seems to be dependent on government orders. There is no possibility of a sufficient volume of private sales to maintain an independent aircraft industry. Surely, however, there is no need to do more than has been done in the normal process of subsidization and other processes which have been used with such great corporations as Avro. Incidentally, this morning I saw an announcement that Avro was purchasing all the stock of Canadian Car. We shall have, therefore, one great concern that will comprise the main source of aircraft and engine supplies for the Department of Defence Production. It does not strike one, at least from the outside, and the minister has not given any convincing proof from the inside, that there is any real necessity for more than the normal processes of commerce to secure this kind of equipment.

I believe the same remarks apply to electronics in this country. They are an important element, but there are a great many manufacturers who would be only too ready to make a profit on a government contract. There is no need to do more than offer them contracts to get the materials that are needed. In so far as textiles are concerned, we all know that the textile manufacturers, like the shipbuilders, are in such a condition today they would welcome substantial contracts to keep them in employment. There is no need to hold a stick over the head of any textile manufacturer in this country today to get him to accept an order. The same is true in connection with the production of metals. The mines of the country are all operating as freely as they can. Even the uranium supply, which is beginning to flow out of our Canadian mines, apparently is not much needed in Canada at the moment. It can be secured if it is needed; but as I understand it, a government agency is purchasing most if not all of the uranium for American account.

As I say, there is no problem in connection with getting metals, even uranium. And certainly the same applies to food, so far as it enters into defence. We have surpluses which have been a problem to the minister in his other capacities.

Mr. Howe (Port Arthur): May I ask the hon. member a question? If there is no problem, then why have the Department of Defence Production?

Mr. Michener: I recognize that these things have to be procured as required by some agency. To my mind the Department of Defence Production has two functions, one of which is simply that of purchasing or to get the materials needed. The other is the function of developing new types of defence materials according to specifications of defence research. And perhaps there is a third function, that of retaining the capacity to produce in wartime those things which are not normally produced in quantity in peacetime.

But none of these things involves anything more than the willingness of the government to pay. It is clear that parliament is prepared to pay for what is needed for defence purposes. The defence estimates have been

voted year in and year out in these times without any question as to the amount required. And it has been basing its defence estimates, not on any emergency quick-time procurement, but on a long-range five-year plan of procurement which does not give the impression to me, at least, that there is any emergency in connection with the obtaining of defence supplies, the setting up of defence projects, or any of the matters within the competence of the department, as it now functions.

The fact that there is no emergency of the kind which warrants our allowing these powers to continue is demonstrated by the government's attitude toward manpower for defence. There has been no attempt to draft manpower, and no concern that that aspect of defence, a very important one, presents an emergency condition, or that that aspect of defence requires compulsion of the kind asked for in this other aspect.

I have dealt with what seems to be the central issue, and that is the continuation of these powers. There have been suggestions, in which I concur, that this bill be split. The minister himself suggested that he had consulted the Department of Justice to see whether that was possible. His answer that it is not possible does not strike me as being convincing. It is clearly possible to continue the department with certain limited powers, such as are normal in any departmental administration, but without these extraordinary powers which have been set out by speaker after speaker.

Not only are they powers of the minister, or of the governor in council, but they are powers also of anyone the minister may see fit to appoint. The extraordinary feature about this act is that anyone named by the minister may, under his direction, do any of the things he may do himself. And the things he may do, in the realm of property at least, amount to complete control of the production of the country that may be used for defence purposes.

The initial description of the minister's powers, as they are contained in section 11, are in terms just as broad as that, when the section says:

> The minister shall examine into, organize, mobilize and conserve the resources of Canada—

I repeat the words "organize, mobilize and conserve the resources of Canada". Those are laudable objectives and, if they are accomplished in the ordinary way, well and good. But to have them accomplished by decree of the government which goes as far as to permit the breaking of contracts, the subject of provincial legislation, and without compensation, and at the same time absolving people of their obligations, both contractual and statutory, is as broad a power as I have ever heard given.

It seems to me that statutory obligations and powers imposed by parliament should be dissolved only by parliament itself. I do not think it is necessary to indicate the extent of the powers given, because that was done thoroughly by the hon. member for Eglinton (Mr. Fleming). However, before leaving entirely this subject of powers I would point out that, under section 5, not only appointees of the minister may carry out any act or exercise any power he has, but that in addition he may set up corporations *ad lib.*—and has, in fact, set up a great many corporations—which may exercise and carry out his powers.

Then, in section 8(2), the minister may contract with any person to act as an agent. That is obviously designed to operate outside the department. So he is permitted to give the character of the Minister of Defence Production to someone who may not even be a public servant, who has not been elected in any representative capacity and is not a member of the House of Commons. He may not be a member of the public service at all, but someone completely outside it. And yet such person could exercise all the powers of a minister of the crown acting as an agent of Her Majesty.

I think the real reason for the request now made could best be described as a habit of governmental practice acquired over a period of 15 years. It is a habit which the minister does not wish readily to abandon. If these powers are dissolved, then so far as I know at the moment it dissolves the last of those emergency powers which have been exercised for a very considerable time, not only by the government but by the minister whose department it is. And in his person we see the continuity of that exercise of a wide and overriding authority which has gone on for such a long time that neither he nor any of his colleagues apparently can contemplate its discontinuance.

Therefore, although the reason for such power has gone and the need for it has not been demonstrated, we are asked to continue the authority. That brings me to a few remarks which I feel it my duty to make about the minister himself because, although it is a problem of the future, we are dealing with a department which may or may not have the Minister of Trade and Commerce as its minister, and therefore we are handing authority to unknown quantities. We do know that this measure is brought forward by a man who has been the focal point of Canadian industrial activity for a long period of 15 years,

and has exercised more authority than any other man in the history of Canada. That is regarded by some people as a good thing, and by others as not so good. It depends on the point of view. No one detracts from the job which the minister has done in organizing Canadian industry on a war footing. I do not wish to detract from that myself. However, I am not one of those who feel that because we have had one good custom we must follow it indefinitely. If we are to believe the poets, we have to make changes "lest one good custom should corrupt the world". There is as much truth as poetry in that. It is not desirable that any one person in his own hands should exercise and wield so much power for so long a time. Therefore, we find today that the minister who is regarded by some as the patron saint of Canadian industry—and certainly he has been the best customer of Canadian industry—is regarded by others as an arbiter, an autocrat and a czar of Canadian industry.

If these powers are continued it will be possible for the minister to continue to play that role in the years to come. To my mind, Mr. Speaker, that is not a desirable thing. We have submitted to five years of what might be called absolute authority over Canadian industry. Businessmen had very little choice in their actions during that period. In fact, if they came within the essential realm they had no choice and they were perforce dealing with the government of Canada as their principal customer.

That was followed by a period of not quite so intense control, which has continued to the present time. Even today the businessman of this country has to be very careful of his relationships with the government because of the authorities which exist in this act, and authorities of that kind which have existed in the past. It is not possible for a man to be independent in these circumstances, or as independent as he would wish to be, and that extends not only to what is normally regarded as munitions and supply and defence industry but into all the collateral industries that are connected in any way with defence production. There are a great many others. It goes through the whole breadth of the manufacturing industries of the country. If for no other reason than that, it would seem to me, Mr. Speaker, that the justification which this house should have for the continuation of that state of affairs has not been forthcoming.

It is not easy for those who resent or resist these influences and would like to see them curtailed to say anything, and it is the duty of their representatives in the house to speak for them in that respect. The man in business who is so directly connected with the government has no freedom to express himself, and it is not limited to defence. The minister's authority has extended throughout the realm of trade and commerce, which involves imports. At one time it was necessary to have export licences which involved exports which were under control. It involves a great deal of the commerce of the country. The fact that the same person is the Minister of Trade and Commerce and the Minister of Defence Production does not help the situation at all at this time. In addition to that, the same minister has the responsibility for the western farmers almost completely in his hands. There is hardly a farmer in western Canada who does not have all his products taken by this government and sold for him and the returns paid to him, and all under the direction of this same minister. Therefore, I say, much as one will give credit to the Minister of Trade and Commerce, the Minister of Defence Production and the minister of munitions and supply and the head of many other agencies, corporations and instruments of government, much as one will credit him with the accomplishments that have taken place, it becomes necessary to consider the cumulative effect of these authorities on the country and on the state of mind of the businessmen of the country.

I am rather astonished that those who call themselves Liberals and claim a liberal view of our economy and of our personal relations with government have submitted and are willing to submit to so much centralization of authority, even though it may have been exercised so well. The practice is not justification for the principle which is being followed by this kind of legislation.

Will you call it one o'clock, Mr. Speaker?

The Acting Speaker (Mr. Applewhaite): May I point out at this moment that if the hon. gentleman wishes me to call it one o'clock it will then be my duty to tell him that his time has expired.

At one o'clock the house took recess.

The house resumed at 2.30 p.m.

SUPPLEMENTARY ESTIMATES, 1955-56

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1956, was presented by Hon. W. E. Harris (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

DEFENCE PRODUCTION ACT

AMENDMENTS RESPECTING SALARY OF MINISTER AND EXPIRY OF ACT

The house resumed consideration of the motion of Mr. Howe, Port Arthur (for Mr. St. Laurent) for the second reading of Bill No. 256, to amend the Defence Production Act.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I have sat here for the past couple of days and listened with great attention and some profit to the debate on the motion for the second reading of this bill. The thing that struck me most forcibly was that there was no issue as far as most of the official opposition speakers were concerned, and in my judgment a controversy must have an issue. They were not prepared to say that we should not have legislation of this type; they were registering complaints rather than raising an issue or making concrete proposals to offset the legislation before the house.

I always like to listen to the last speaker for the official opposition because you get the impression that at least he means what he says. He was very earnest in his presentation and he did clearly point up the issue that he had in his mind. In my judgment that issue was that the house should determine the rights of private property as against the security of the state. This was the ground put forth by the hon. member and in my judgment that is the issue before the house.

The first question we will have to ask ourselves is whether it is necessary to have this type of legislation. With his long experience in this field I am sure that the Minister of Defence Production (Mr. Howe) would not come before this house to ask for this kind of bill unless he had a good reason for so doing. In my judgment all this talk about dictatorship and the loss of democracy is denied by the very discussion that has taken place on this subject. The minister has come before the house and given hon. members representing all the people of Canada an opportunity to discuss the advisability of granting to him the modified amount of authority over the economy of Canada which he is asking for in this bill. That is all it amounts to.

In my opinion this type of legislation is made necessary because big business begets big government. When you examine the economic processes outside of this house you find that during the past 20 years the practice has been to take a dozen or score of small companies that have been functioning as separate units and amalgamate them under a charter from the government. Nobody has objected from that source to that type of thing. By getting a charter which gives them practically unlimited powers in certain economic fields they can water their stock, squeeze out the small shareholders and in effect control the destinies of the communities in which they operate. That in turn forces the government which is responsible to the people to develop the same type of organization in order to be able to meet those who manage the economy of the country on the outside on common terms in the event of an emergency.

To suggest that we should not have this kind of law or that the minister should not be given this type of authority in an emergency is to argue against the very basis of law itself. We have laws against bank burglars, not because we want to enforce them but because we know there are people in our society who will commit that type of crime if they think they can get away with it. We impose the penalty of capital punishment in the case of murder, not because our lawmakers want to enforce that law and hang people but because it might act as a deterrent. It is a notification to all those who might violate the laws of society that there are penalties which will be imposed when such crimes are committed.

We establish procedure for the reading of the riot act under our Criminal Code, not to promote riots or because we want to enforce that law but as a penalty in the event of something like that happening. That is the principle which runs through all our law, and there is no difference in this case.

Is there a reason why this should be done? Is it, as has been suggested by the official opposition, that the minister is merely looking for power? Is there any reason why he should do this? What precedents exist arising out of his own experience that tell the minister that he has to have this kind of thing? We have precedents but I do not intend to go over them at this time.

I sat in this house from 1940 during the years of the war and I saw where this government had to place a controller in one of our national steel companies because they were not playing ball in the emergency. I saw them put a controller in the Montreal tramways in order that transportation in that particular city might not be scuttled and defence industries tied up as a result. Another example is that mentioned by the hon. member for Winnipeg North Centre (Mr. Knowles), the profits limitation act. While the house was not in session the minister was forced to repeal by order in

council a statute of this country in order that materials which were necessary to war and which were controlled by certain people could be brought into production at a time when the very life of the nation was at stake and the future of the world hung in the balance. I think that example alone is sufficient to justify the minister in asking for this authority.

If the minister is to be responsible he must have authority. If we place the Minister of Defence Production in the position where he must face the circumstances which he is trying to prevent or avoid by this bill, if we give him that responsibility, then we must go along with him and give him the necessary authority. There is no doubt in my mind about that.

In my judgment this bill is designed to prevent sabotage. I am amused when I hear my hon. friends the Conservatives say these powers are not necessary in peacetime. Is this peacetime? When you look at your national defence estimates, right now you will find we are going to give the Department of National Defence $1,769,680,500. Then there is another $5 million in round figures fixed by statute. That certainly does not sound like peace, does it? Then again, if we were sure that there was no danger of war, there would be no need of the defence production department over which the minister presides. There is another $23 million in round figures being voted for this particular department here.

To suggest that the minister is asking for wartime powers in peacetime, in my judgment, is just not being realistic. We believe that these powers are necessary. Why should they be limited? The argument is made that the minister will be in a dictatorial position, that once he gets those powers he can exercise them and no one has any control over him. That is nonsense. This minister has to come to this house once every year with his estimates and account for his department. During that period we can examine that department from top to bottom. Where is the necessity for limitation? There is no more need to limit this department's functions than there is those of any other department of government.

The crux of the problem here is this. We believe in responsible controls. We believe the people of this country who are elected to represent the different ridings across Canada in this house have the right to control and regulate as suggested by this bill in the circumstances for which the bill is designed. What my hon. friends are quarrelling about is that they do not want that power here. They believe that power should remain on the outside with the large corporations. As I said before, as these corporations grow and amalgamate and seize more power over the economic processes of this country, that in turn forces us in this house to accept the responsibility of setting up machinery so that we can at least talk to these people on even terms.

While we believe in responsible controls, my hon. friends the Conservatives believe in irresponsible controls, the right to manage the country on the outside without any reference to the elected representatives of this country. I am sure I would much rather be able to talk to the minister in this house on things that will happen under the terms of this bill to different corporations that I know across this country than I would to try to get in touch with someone in Mount Royal in Montreal over whom I have no control and with whom I have no contact at all.

That is the difference; irresponsible control on the outside, and responsible control on the inside. The question of price controls in this picture is the same question that existed in the profits limitation act; it is the same question that existed when a controller had to be placed in the steel plant in Hamilton. They were not concerned about the emergency of war. They were still thinking in terms of making money.

With regard to this suggestion that contracts can be broken, I say any contract should be broken that interferes with the security of this country.

An hon. Member: Including a labour contract?

Mr. Gillis: Exactly; any contract that interferes with the security of this country should be set to one side during the emergency. There is no doubt about that. There is not one labour man in this country who would disagree with that. I am not unmindful of the fact, either, that during the process of fighting the war one very prominent gentleman who sat in the Senate and was at one time a leader of the Conservative party, made the statement—

Mr. Sinclair: Two times.

Mr. Drew: "Twice" is better grammar.

Mr. Gillis: His attitude to the war was—and this statement was made publicly in the Senate—that I and some of my associates are riding on our oars; if there are no profits to be made out of war there is nothing to fight for. That is not the position taken by the labour men.

Mr. Drew: Mr. Speaker, before the socialist ally of the government makes any more irregular statements of that kind, he should

give the quotation or the source from which he makes that statement. I would recall to his memory, if he has forgotten, that the man about whom he is speaking had two gallant sons in uniform during the war and that he has no reason to be ashamed of his participation in the war.

Mr. Gillis: Mr. Speaker, if the hon. member wants to look up that reference, he has a bigger research department than I have and he can put it on the record when he has his chance to speak in the debate.

An hon. Member: Where did you find it? Give us that page now.

An hon. Member: You would not find that in the Senate *Hansard*.

Mr. Gillis: I am making the statement, and it stands until you disprove it.

Mr. Fleming: That is not worthy of you.

Mr. Gillis: The funny thing about my hon. friends the Tories is that I did not mention any names but apparently every one of them knew who it was.

Mr. Fleming: Every one knew that you had not given a correct statement.

Mr. Drew: Mr. Speaker, let us keep the debate on an orderly level. The hon. member knows perfectly well that there is only one former leader of this party to whom these remarks could apply, and he is making remarks without any justification and without being prepared to have the courtesy to offer a quotation from some known record.

Mr. Sinclair: There are so many former leaders it is hard to distinguish them.

Mr. Gillis: As I have sat here for the best part of the last two days, I have listened to some crazy statements, but at least I had the courtesy to sit and listen patiently, recognizing the fact that those who were making them had a right to the floor.

Mr. Fleming: When they quoted they gave the sources, and quoted them accurately.

Mr. Gillis: The hon. member for Eglinton, who talked for a long time, certainly read the Defence Production Act in its entirety three times.

Mr. Drew: Obviously he did not read it often enough.

Mr. Gillis: If the quotations had been taken out of his speech, he would not have made any speech at all.

Mr. Fleming: I did it for your benefit.

Mr. Gillis: When I get up here to speak I at least try to express my own opinion—

Mr. Fleming: And your own paraphrase of other people's.

Mr. Gillis: —after having listened to what was said in the house over a long period of time. However, I am merely pointing out the need for this legislation. If the minister has had the experience that many members of the house have had, of having to deal with people who place their own interests and the business of making money above the interests of the country, even in the emergency that existed from 1939 to 1945, then there is just as much justification for placing that legislation on the statute books as there is for writing laws against bank robbers or potential murderers or, as I said before, riot acts and the rest of them. It is not that we want to go out and enforce these laws, but they are there as a deterrent. This law is designed to prevent those who control the economic processes of this country, particularly the materials that are essential to war, from bartering the interests of the nation in order to make profits for themselves. The only people who are afraid of laws are those who are potential lawbreakers.

An hon. Member: Speak for yourself.

Mr. Gillis: That has always been my approach to any particular law.

Mr. Knowles: Let those whom the cap fits wear it.

Mr. Drew: That is what Hitler said.

Mr. Gillis: Once a democratic law—as this one is—is passed and we know it and it is advertised, if you are a good citizen you will obey that law. I think the fastest way in which to get repeal of a bad law is to enforce it often enough. If this law is bad and it were to be exercised by the minister in the manner suggested by the opposition, I think at the next session of the house it would be repealed. But these powers are not something that is new. I think the powers contained in this particular bill are already contained in the British North America Act.

I do not want to get into the field of arguing law. I believe that the hon. member for Prince Albert (Mr. Diefenbaker) is considered to be a good lawyer. I believe there are others on the other side of the house. At the present time, under the British North America Act the government has the power to declare any work in Canada to be a work in the interests of Canada, if they so desire, and to bring it under the management of the federal government or at least within the scope of federal laws. What is there in this bill that changes that particular picture? As to the matter of conscription, somebody says they never suggest doing that. It is

enough to have a law, if they want to enforce it, under which they can requisition the life of every man and woman in this country in an emergency such as that. All they have to do is to invoke the old militia act. They do not do it. It has never been done. But that law is there if it is necessary to use it. The principle contained in this emergency bill is exactly the same as that principle. There is not any difference in it.

I do not think it is serving a particularly good purpose in this country to carry on the kind of debate that we have had carried on, particularly by some of the members who point the finger across the floor of the house and say that the government are seeking dictatorial powers and then stand up and try to kid the people of Canada that this is the kind of action that Hitler took. I do not want to get into that story and I know the Leader of the Opposition does not want to get into it. Anyone who knows the history of the failure of the league of nations and the parties and principles that were responsible for the scuttling of it—it did not fail; it was scuttled—will easily recognize the difference between the members in this house and the people of Canada generally with regard to what was taking place in Europe at that time. It certainly was not the socialists or the liberal-minded people in Europe who pulled the structure of democracy from under Europe and handed it over to a mad dictator such as Hitler. Do not forget this. One of the reasons that I am concerned about getting control over those who manage the economic processes of this country is this. I was closely associated with that league of nations. I followed it all the way through as well as the rise of Hitler to power. I am convinced that the people who had the largest share in tearing down Europe and nearly destroying the world were those who were more concerned about profits for themselves and the sale of their materials, whether for war or otherwise, and not any particular individuals who had any ideas of democracy. When I hear the arguments that have been advanced here to retain outside control as opposed to control by the government in certain fields in emergencies—powers such as are asked for in this bill—I am brought to a realization of where some people would go if they had the opportunity to do so.

The hon. member for Winnipeg North Centre made it quite clear that, as far as we are concerned, we are prepared to support this bill. We see no reason to limit it. We can review this bill and the actions of this department and of the minister year by year when his estimates are before the house.

Mr. Trainor: How long is he going to give you?

Mr. Gillis: As long as you want to take. As to the suggestion by some of the opposition members that all of these terrible things are going to happen because of the exercise of that power, may I assure them that if they come before this house at the next session after this bill has been in operation for a year or two years and can then point out an instance where any of the things which they suspect are going to happen have actually happened, this group will be standing alongside of them in asking for repeal of the bill. But at this time we do not anticipate anything like that.

We feel that the kind of world in which we are living today is an uncertain one and that, with the defence expenditures we have today, a department with some powers must be in existence. If you abolish the defence production department, what have you left? You have a couple of billion dollars which go to national defence. Who spends it? The brass hats on the outside spend it to suit themselves. They are not accountable to parliament. In this way we have some control over defence expenditures. I have suggested on a good many occasions that we should have set up a permanent defence committee to examine all of these things all of the time while we are in the circumstances in which we now find ourselves and are obliged to make these huge defence expenditures. But failing that, some control is exercisable over that matter through this department. I do not think the minister is the kind of person whom we cannot trust. Over the years I think he has proven that we can trust him. I believe that if he left the department next week he could be replaced. None of us is indispensable, although there are many people who think they are. I believe the minister has built up a department and has set up the machinery necessary for its functioning. He has officials who know the ramifications of this department thoroughly. Another minister, without a great deal of difficulty, could take his place and manage the machinery that he has set up.

My capable whip has just done a little bit of research. He is fast at it. In order to save the Leader of the Opposition and his overworked staff the necessity of looking up this quotation, I am now going to put it on the record. The Leader of the Opposition asked for it. The date is December 6, 1940, and it is from Senate *Hansard*, page 57. It is about half way down the page, I may say, so the Leader of the Opposition will not have too much trouble in finding it. I quote—

Mr. Knowles: "And until I indicate otherwise, I shall be quoting."

Mr. Pearson: Who said it?

Mr. Gillis: These are the words of Right Hon. Mr. Meighen:

> I have no sympathy with those who would tax profits at 100 per cent. People will not work for nothing. Human nature is the same in war-time as in peace, and instead of helping the war effort you are defeating it by stripping people of the stimulus to toil and run their business right. Leave the incentive, so that the greater the toil and the greater the success, the greater will be the reward. You have to do that. You do not do it under this bill. I do not exaggerate at all when I say I have had business men by the dozen tell me that they are leaning on their oars: they have nothing to work for. They say: "We might just as well take it a little more easily now, for we are only working for taxes anyway." You will get that result in any case if you take away all incentive to work.

Mr. Drew: I take it that the hon. member would tax profits 100 per cent.

Mr. Gillis: End of quotation. The Leader of the Opposition (Mr. Drew) has asked me if I would tax profits 100 per cent. At the moment we are not talking about an excess profits tax. We are talking now about the desirability of giving the Minister of Defence Production the necessary authority in an emergency to deal with people who place profits for themselves above the national interest. As an indication of the need for a bill of this kind, I quoted a person who had long business experience and long experience as a parliamentarian. He expressed the opinion that, in so far as he was concerned, if there were not profits the businessman was going to lean on his oars regardless of the national interest.

With regard to the taxing of profits 100 per cent, I do not believe anyone ever suggested that. We did suggest that there should not be any profit in war. We did suggest that in case of war normal profits were all that could be expected, and that anything in excess of what was fixed at that time as normal profits should be taxed 100 per cent. In other words, we do not believe in blood money. I would ask my hon. friends who talk about this contract proposition to consider what happens when there is a war. Thousands of patriotic people place the interests of the nation even higher than their own lives. They leave their businesses, their farms and their jobs and take a contract with the country through the national defence department to go to foreign shores and offer their lives. What happens to their contract when they come back? Can they establish their own businesses? Are they sure of their jobs? No; they do not think of themselves. They are not thinking of contracts, they are thinking of the safety of the nation and they are willing to offer their lives for it. I believe anyone who is a responsible citizen of this country would take that attitude, rather than the attitude that was taken in the quotation I have just given.

I would not mind that kind of thing coming from the ordinary industrial tycoon whose only interest was making money and manipulating the stock market, a man to whom money is a god. But when you get it from people who have taken the active part in public life that the particular person referred to has, then it makes one wonder and it should make one very careful of the people to whom the reins of government are handed, as to the motive for which they want to operate the economic processes of the country.

I want to say this, Mr. Speaker. When you talk about freedom and dictatorship, economic freedom is the greatest freedom we can have. That is what we in this group are struggling to achieve. It is the struggle to establish economic freedom that puts me in this group today. Very early in my life I realized that he who controls my job controls me. There is not any economic freedom in the large companies that exist across this country today. There may be 20 or 30 subsidiaries in one corporation, and they are the lords of all they survey. If a subsidiary of theirs in any particular area is not earning the kind of profits they think it should, what do they do about it? Do they consult the public? Do they consult governments as to what they should do? No, they do not. They say, close it down; close that plant or mine or factory, whatever it is. They do not take into consideration the millions and millions of dollars of investment that people generally have in these towns and cities that are built up around particular industries. This particular plant does not make enough money, so we throw it into the discard. Is that dictatorship in the economic field? It surely is. How much freedom have the millions of people who work as wage earners in those industries? The powers the minister requests in this bill are merely powers that are granted by those who are opposing this bill to every executive of every major corporation in this country.

Mr. Harkness: Nonsense.

Mr. Gillis: They wield them indiscriminately. You can go from Vancouver to Cape Breton, and the Leader of the Opposition knows this as well as I do, and you will find ghost towns, lumber ghost towns, mining ghost towns and ghost towns resulting from other industries that were built up and wiped

out overnight. There is no social responsibility at all. The human factor does not enter into it. When you ask them what is going to happen to these people who are being thrown into the discard they say, that is not our responsibility; we are operating this industry for a profit. Let the churches or the government look after them.

Well, in my judgment this is one time when the government is making an attempt at least to get the necessary authority to talk to the kind of person who has that kind of mind. I am not going to try to compete with the marathon speeches that were made to my right. I think I have said enough at least to indicate—I have said one thing that the official opposition has not said as yet, how we are going to vote on this bill—that the members of this group are going to vote for this bill as a step in the right direction.

Mr. W. A. Tucker (Rosthern): At the outset, I should like to say a word about the suggestion made a few moments ago in regard to the alleged socialist allies of the government on this matter. I would just say that it seems to me the quickest way to turn the country over to socialism or perhaps communism is to indicate that you would enforce the law in regard to the little man most rigidly and let the larger corporations take advantage of a time of crisis to make large profits which they would not be forced to disgorge. I cannot think of anything that would make people lose faith in our free enterprise system more quickly than an attitude that you would not endeavour to control the larger corporations who had business with the government but you would rigidly enforce the law against the so-called little man.

I would say that the government, in taking the attitude that in times like these, when they are spending fairly close to $2 billion of the taxpayers' money, it wishes to ensure that neither is the money misappropriated nor is advantage taken of the situation to make exorbitant profits, is taking an attitude which is more likely to result in the continued faith of the people in our present system and less likely to cause them to turn them towards socialism.

A few propositions that seem to me very clear have arisen in this debate. One is that the need for a Defence Production Act is not seriously contested under present circumstances. I think members as a whole realize that we are in a period when, along with our allies, we have to spend large sums of money to provide for our defence, and that it is only by doing so that we can hope to have peace, and hope ultimately to get through this period without war taking place.

[Mr. Gillis.]

Another is that it has been found from experience that the best way to spend the vast sums of money which have to be spent and the best way to control our preparations for defence is through a Department of Defence Production headed by a capable minister. And so it seems to me that all members in the house would grant the necessity of continuing this act. No one will say that we can count definitely on when this present period of tension will come to an end. So it seems to me there is no reason for saying that we should not extend the powers indefinitely, as provided in the bill.

In introducing the measure the minister said that if we are going to have a Defence Production Act we should have one that is completely effective. I do not think anyone in the house would say otherwise. What is the use of having a statute setting up a department unless that department is given the power to do a good job, the power to do the job experience has shown can and should be done? I do not think anyone would say that the minister, who has said that the powers in the act are those which experience has shown are absolutely necessary to do the job, has not had the experience which would warrant his giving an opinion in the matter. He has been in charge of this work for almost 16 years. I do not suppose there is anyone in the democratic world who has had as long an experience, or the admitted success in organizing his country for war, as the Minister of Defence Production (Mr. Howe) has had.

I do not think anyone on the opposition side of the house would maintain seriously that the minister does not know what he is talking about when he says that this power is necessary, from his experience. I do not think one of them would wish to match his opinion in this field against that of the minister. When the minister says that, I wonder if in their hearts hon. members opposing him really believe that at this stage of the minister's career he is asking for the passage of this measure so that he might have more power? Do they not rather believe in their hearts that he asks for these powers in the act because he wishes to give the nation the benefit of his long experience in the service of our country; that he is asking for them because he really believes them necessary? I fancy most members in the opposition believe that when the minister makes these statements he is speaking his honest opinion.

I am sure one of the reasons the country generally believes that the minister is speaking honestly and should be listened to is

that during the time he was in charge of this work the country spent between $17 and $18 billion; and Canadians are proud that with that tremendous expenditure of money, not only was no question raised or allegation made concerning any misappropriation of funds, but there was a definite appreciation that large sums of money that would have been considered an undue profit were recovered by the country. This has meant that the burden upon the people paying the taxes was reduced to that extent. The record of the minister and of the government in administering that $17 or $18 billion, and seeing to it that the taxpayer was protected, is one of which Canadians have a right to be proud.

My understanding of the main objection by the official opposition to the bill is that, by continuing in effect the powers set out in the existing statute, we will be getting away from parliamentary control and the rule of law. Dealing first with parliamentary control, it is my understanding that the official opposition following the war insisted that the emergency powers act should be brought to an end because they said, the government should not have the power to pass laws by order in council giving itself further authority. They said that if the government required certain powers, then it should secure those powers by legislation passed by parliament. They said that under those circumstances they would know what powers the government had, and it could be called to account at each session of parliament. They urged that this would be true responsible government.

This is what the official opposition have been asking for during the last six or seven years. Now that the government is laying down in legislation, section by section, exactly the powers to be given to the minister to carry out his work, they find fault. I wonder if the country will not have grave doubts about the present opposition to this bill, when they see that when the government is doing the very thing the opposition has claimed should be done they now find fault with those very actions.

Those sections giving power to the minister must be administered, and the government is answerable to parliament each year as to the manner of that administration. This, as it has been pointed out, is responsible government. But, in addition to that, the courts are there. If in any way the government does not administer the law in accordance with the act, the courts are there to protect the citizen.

This brings me to the argument about the rule of law. Particular reference was made to this by the hon. member for Prince Albert (Mr. Diefenbaker). He made special reference to the question of price fixing, as it is provided for in section 31 of the act. My understanding of that section is that the question of price fixing has to do with essential defence material, supplies and defence projects. There seemed to be a suggestion that a government which is spending well over 40 per cent of its entire income in preparing to defend itself would have no right to protect itself if a group of people got together in an endeavour to profit unduly from a situation where such a large amount of money had to be spent. That very situation would not only undermine faith in our system of government, and its adequate powers to handle the problems confronting the country today, but it would destroy faith in the system of free enterprise under which we operate. It would also weaken the effort we are able to make to defend ourselves.

The hon. member for Prince Albert is a lawyer with a distinguished record, and I would have thought he would have been the first to admit that the first and paramount power given to the central government in Canada, when Canada was established as a nation, was the right to defend itself and to take all the necessary steps to that end. I had no doubt in my mind that the fathers of confederation had not overlooked that when they drew up the British North America Act. I was certain that provision appeared in section 91, which gives the overriding jurisdiction to the dominion parliament in various national matters.

Section 91, which without doubt prevails over any provincial power given in section 92—and sometimes it seems to me we overlook the sweeping powers given by this section—says:

> It shall be lawful for the queen, by and with the advice and consent of the Senate and the House of Commons, to make laws for the peace, order, and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces; and for greater certainty, but not so as to restrict the generality of the foregoing terms of this section, it is hereby declared that (notwithstanding anything in this act) the exclusive legislative authority of the parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated, that is to say,—

Then we come to heading No. 7, which reads as follows:

> Militia, military and naval service, and defence.

Section 91 concludes by saying:

> And any matter coming within any of the classes of subjects enumerated in this section shall not be deemed to come within the class of matters of a local or private nature comprised in the enumeration of the classes of subjects by this act assigned exclusively to the legislatures of the provinces.

In other words, when this parliament is legislating under the head of defence it has overriding powers regardless of such matters as property and civil rights in the provinces. The decision as to whether legislation passed under this head was intra vires of course would be a matter for the courts. Any suggestion that the constitution is being violated by this legislation and that the courts are being superseded is of course fantastic. For example, if the government takes any action in this regard by stating that certain prices shall be charged for certain essential defence materials, and the courts saw the situation as such that the class of goods for which the government was purporting to fix prices was not such as to bring the action definitely within section 91, they would say so and the action would be set aside. In other words the courts will still be supreme with regard to any action taken under this legislation. Furthermore, if a situation of great emergency were to arise the very declaration of the state of emergency would make this section operative.

What harm then is in it? Why should the official opposition, who have been crying out for years, demanding that parliament be asked to write the different rules and regulations into the statutes, find fault with the fact that this is now to be done, by an act of parliament instead of by an order in council?

Mr. Diefenbaker: Is this not made under an order in council by the governor in council?

Mr. Tucker: If the order in council is passed under this head and it is not within the powers of Canada, due to the fact that conditions as they exist at the time it is passed are not such as to warrant the exercise of that right, the courts will unhesitatingly set it aside. Undoubtedly circumstances could arise, and I do not think my distinguished and learned friends across the way, and I include the Leader of the Opposition and the whole group, will say that conceivably circumstances could not arise within the next 12 months, under which an order in council passed by virtue of this section would not be held by the courts to be completely within the powers of this parliament.

The same thing applies to the section providing for relief from obligations. Is the strength of a nation to be dissipated by a shortage of essential supplies of some particular article and the country held up for ransom because of that shortage, and then parliament, speaking for the whole of Canada, not to have the right to protect the people of Canada against something like that? I submit that the fathers of confederation, in drawing up our constitution, were not ready to put our parliament in such a helpless position to protect the new nation they were bringing into existence. These powers are there to be used in certain circumstances.

The hon. member for Prince Albert said that investigators could be appointed to look into any defence contract or anything of that nature. That may be done only if it is deemed necessary, for example if it is clear that a person had made an exorbitant profit which he otherwise could be asked to return to the country. I wonder whether the opposition are against the government having that right to protect the taxpayers who find it so hard to pay their taxes and provide for the defence of themselves, their homes and their country. Do they really seriously contend that some large private industry should, if it manages to make an exorbitant profit, be able to say to the government, "Yes, we have done so, but there is nothing you can do about it". I take it from their speeches that they would like the government to be in that helpless position. If they would not like it to be in that helpless position they would support this bill.

The hon. member for Prince Albert drew attention to the section which provides that if a person is being investigated he might have counsel, but if a charge was laid he had the right to have counsel. I was interested to hear what he had to say in that regard. I have here the Inquiries Act which has been in force for a long time. I do not know what the stripe of government was which originally introduced it into parliament. It is chapter 154 of the Revised Statutes of Canada, 1952. It refers back to the previous revised statutes. I find that the section which the hon. member for Prince Albert drew attention to is exactly the same as the section in the Inquiries Act which has been in the law of our country for years and years. In other words, the provision in the Defence Production Act does not give the government any greater powers than it already has, in regard to investigating under the Inquiries Act. I should like to read the section to indicate to the house that that is true.

Mr. Fleming: Will the hon. member permit a question?

Mr. Tucker: Yes.

Mr. Fleming: Will he not agree that there are no powers derived in respect of investigation under the Inquiries Act in favour of the Department of Defence Production unless they are conferred by the Defence Production Act?

Mr. Tucker: I do not admit that at all. If the hon. member will be patient I shall indicate that to him.

Section 2 of the Inquiries Act reads:

> The governor in council may, whenever he deems it expedient, cause inquiry to be made into and concerning any matter connected with the good government of Canada or the conduct of any part of the public business thereof.

In other words, under the Inquiries Act, the governor in council can cause an inquiry to be made into any of these questions. It provides that the governor in council may appoint, by a commission, commissioners, and give the commissioners power to summon before them witnesses and require them to give evidence on oath or on solemn affirmation. It goes on to say that the commissioners have the same power to enforce the attendance of witnesses and to compel them to give evidence as is vested in any court of record in civil cases.

Then there is provision in part II of the act for departmental investigation. Section 12 reads:

> The commissioners may allow any person whose conduct is being investigated under this act, and shall allow any person against whom any charge is made in the course of such investigation, to be represented by counsel.

That is exactly the same as in the present Defence Production Act and as stated that has been the law of Canada for years and years. I was very sorry the hon. member for Prince Albert suggested that in some way there was something unusual in this act, at a time when a distinguished member of the government of a commonwealth country was sitting in the gallery. He suggested that in some way parliamentary government was being abrogated in this country by the provision that a person could be appointed to inquire into matters under the Defence Production Act and—

Mr. Fleming: Does the hon. member not appreciate that under the Inquiries Act an inquiry may be instituted only by a decision of the government through an order in council, whereas under section 29 of the Defence Production Act the minister is given power to appoint an investigator who under subsection 2 of section 29 has all the powers conferred on commissioners under the Inquiries Act. In that case he is not receiving them through an order in council passed by the whole government.

Mr. Tucker: In answer to that statement I would suggest that if that is all the criticism the opposition have to offer of this bill, that it is quite all right for the government to set up a commissioner to go into these things by order in council but it is quite wrong for a responsible minister to do the same thing, then that is not consistent with the opposition attitude that the policy of the government is terribly wrong. Where is the fundamental difference which infringes upon the liberty of the subject? And is this the tremendous far-reaching change outlined by the hon. member for Prince Albert? Is that the only basis for attack, the difference between the cabinet doing it or a minister doing it, a minister who is acting as a member of the government of which he can remain a member only if he is satisfactory to the government as a whole and to the Prime Minister? Do they now say it is quite all right to have these powers to summon somebody in front of a commissioner and not give him counsel, if the commissioner does not wish to do so, until a charge is brought against him; that it is all right if it is done by order in council, but if it is done by a responsible minister then it becomes an infringement upon the liberty of the subject?

Mr. Fleming: Who ever said that?

Mr. Tucker: That was the point made by the hon. member for Eglinton, obviously.

Mr. Fleming: Nonsense.

Mr. Diefenbaker: On a question of privilege, my hon. friend read section 12 of the Inquiries Act which, while it reads as follows:

> The commissioners may allow any person whose conduct is being investigated under this act, and shall allow any person against whom any charge is made in the course of such investigation, to be represented by counsel—

—is altered in effect by the subsequent provisions of that act in general.

Mr. Tucker: The commissioner has the right to summon a person before him, and if he does not come and answer questions he may be prosecuted. It says that in the Inquiries Act, and I shall read it again:

> The commissioners may allow any person whose conduct is being investigated under this act, and shall allow any person against whom any charge is made in the course of such investigation, to be represented by counsel.

Let me read the wording of the similar section of the Defence Production Act about which the hon. member for Prince Albert waxed so eloquent this morning. Here is what it says:

> 29. (1) The minister may, whenever he deems it expedient, cause an inquiry to be made into and concerning any matter relating to or incidental to or arising out of a defence contract or any group or series of defence contracts or any dealings in or with defence supplies, and may appoint a person or persons by whom the inquiry shall be conducted.
>
> (2) An investigator has all the powers conferred on commissioners by sections 4 and 5 of the

Inquiries Act or which may be conferred on commissioners under subsection (1) of section 11 thereof.

(3) An investigator may allow any person whose conduct is being investigated under this act, and shall allow any person against whom a charge is made in the course of such inquiry, to be represented by counsel.

The words as to counsel are exactly the same, yet we had this terrible attack upon the government because a man could be investigated, and while the investigation is going on and before any charge is brought against him he is not to be allowed to speak through counsel. I suggest that if that is so terrible it is a strange thing that this same provision should have been in the Inquiries Act for so long. It is not a new principle. The hon. member for Prince Albert has been a lawyer long enough to know that. If everyone had the right to refuse to answer questions except through counsel the chances of conducting investigations would be very poor. But it is provided that when a charge is going to be laid the person shall have the right to retain counsel. That is one of the fundamental principles of British administration of justice.

A coroner may call persons and examine them and ask them questions as to how certain things happened. I do not think the hon. member for Prince Albert would get very far if he took the attitude that anyone called before a coroner would have the right to speak only through counsel. Obviously the state must have the right to investigate these matters. The British system protects the citizen by providing that nobody shall be accused and put in jeopardy without a chance to have counsel advise him. That right is fully preserved in this act, the same as it is in the Inquiries Act.

Hon. members opposite seem to object to the right to mobilize the industrial facilities of the country in the event it is found necessary to do so. Surely hon. members opposite will not say that it is not a good thing for the government to have that power with the threat of a world war under which we live today. Whether that power is adequately or properly exercised is something for which this parliament can hold the government to account, but surely in the world of today the government should have the right if necessary to mobilize the industrial and economic set-up of the country, to require returns to be made so there may be a check of how defence requirements are being met and whether exorbitant profits are being made. Section 19 of the act reads:

No person is entitled to damages, compensation or other allowance for loss of profit, direct or indirect, arising out of the rescission or termination of a defence contract at any time before it is fully performed if it is rescinded or terminated pursuant to a power contained in the contract or pursuant to a power conferred by or under an act of the parliament of Canada.

I ask hon. members of the opposition what is wrong with that. If I enter into a contract with the government of Canada to provide them with supplies and it is provided that the government has the right to rescind or terminate the contract, that being one of the terms of the contract, why should I ask for damages if the government exercises its powers under the contract? Then it goes on to provide that if the contract is terminated by an act of parliament there shall be no damages. People who enter into these contracts know the government has the power by law to terminate. If through a change in the international situation it is not necessary to spend the millions of dollars involved in defence contracts, surely the government should have the right to terminate them.

Is it not right to put it in the act that the government shall have that power? Then if the contract is terminated the person has no complaint, because he then would know it was the law that it could be terminated and it would be something he took into consideration when he entered into the contract. Why is there anything wrong with that? Is it not just a matter of protecting the interests of the country? I cannot imagine the opposition actually being opposed to that.

Mr. Fleming: Who has expressed opposition to that?

Mr. Tucker: It seemed to me it was being said that the government was asking for dictatorial power. I am running over some of these powers that have been so referred to.

Mr. Fleming: Pick out the sections conferring the powers.

Mr. Howe (Port Arthur): Make your own speech.

Mr. Tucker: Another section with which fault was found was that giving the right to make orders appointing controllers, establishing the circumstances under which the government could have the right to appoint a controller. I suggest that under the present circumstances every democratic country in the world that has the same system of government as ours has vested that right in the government. It certainly exists in the government of the United States; it certainly exists in the government of the United Kingdom, and I believe it exists in the governments of Australia and New Zealand. That is the right to appoint a controller of some industry if a crisis should develop under present world circumstances. I wonder if the opposition think the government should not have that

right if the appropriate circumstances arose and if, having exercised it, they have to account to parliament for having done so.

With regard to the right to designate materials as essential for defence, under present circumstances does the official opposition really think the government should not have the right to designate the materials that are absolutely essential for defence?

Sections 21 and 22 indicate the sort of bill this is. Section 21 provides in subsection 2 that—

> Where the minister is satisfied, either before or after the performance, in whole or in part, of a defence contract entered into after the 1st day of April, 1951, that the total amount paid or payable thereunder to any person is in excess of the fair and reasonable cost of performing the contract together with a fair and reasonable profit, he may by order reduce the amount that such person is entitled to retain or receive thereunder to such amount as he may fix as the fair and reasonable cost of performing the contract together with a fair and reasonable profit thereon and the minister may direct that person to pay to the Receiver General of Canada forthwith any amount which that person has received under the contract in excess of the amount so fixed.

When this bill is passed it becomes part of the law of Canada. Anybody entering into a contract for defence supplies knows that if it turns out that he has made what may be regarded as more than a fair and reasonable profit, the minister has the right to say, "You must refund the difference". That is part of the basis upon which he enters into the contract. I wonder if the opposition would say the government on behalf of our people should not have that protection and that, no matter how it might turn out, how large the profit might be in supplying something necessary to the defence of our country, the government should not have the right to recover an amount over and above the cost and a fair and reasonable profit.

I have no doubt, if the opposition, under the guise of arguing that this gives the government too much power, vote against this, most people will think they do not want the government to have the power to adequately protect the taxpayers. That is only a fair inference. Surely this right is one that a government should have. When it is spending between 40 per cent and 50 per cent of its entire outlay on defence it should have the right to protect the taxpayer to that extent.

But section 22 goes on to say:

> A person affected by an order or direction made by the minister under section 21 may, within thirty days after the receipt of a copy of the order or direction, inform the minister of his intention to appeal against the order or direction to the Exchequer Court of Canada and shall, within such period of thirty days, file a notice of such intention in the court . . .

Hon. members opposite have had a great deal to say about the government taking the power to do things and putting themselves beyond the jurisdiction of the courts. Here is one of the basic powers in this act, and it is provided that if anybody is dissatisfied with the ruling of the minister in exercising it, he can go to the Exchequer Court of Canada.

Mr. Diefenbaker: Only under that section and another section, but the one to which I referred had nothing to do with that; there is no appeal there.

Mr. Tucker: I am dealing with the powers that were found fault with. This is one of the vital powers in the act. It is subject to the right to go to the exchequer court.

Another section, section 23, deals with refusal to co-operate:

> Where a person who has been requested to enter into a defence contract on terms and conditions that the minister considers to be fair and reasonable has refused or failed to enter into the contract, . . . the minister may direct that person . . .

—to comply on terms which are considered to be fair and reasonable. In regard to that particular section, I wonder if the opposition would say that under our present economic set-up, for example, in the automobile industry, where a few people are in charge of the production of vehicles which are just as necessary to defence as guns or anything else, if the time came that somebody would not co-operate on fair and reasonable terms to provide vehicles to put this country in a position to defend itself, the government should be left without any recourse to protect the people it is supposed to protect. I wonder if the opposition would think that the wills of a few of the big captains of industry should be permitted to prevail over the will of the people of Canada as expressed by a duly elected parliament and government. Is that what they say they want, a government so weak that it cannot take the necessary steps to protect the country at a time like this? Is that what they mean by this talk that the government is wanting too much power?

I have yet to see any particular respect in which powers are given in this act with which they can really find fault. A general charge can be made, but I have gone over the sections of the act and dealt with them, and I suggest to the house that these sections are necessary for the proper government of our country at this time. This happens to be a Liberal government, but it is the elected government of the people of Canada, and the members of the opposition should want to see it in a position to protect the interests of the Canadian people just as much as if it were a government of their own party.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but it is my duty to advise him that his time has expired.

Mr. Tucker: I just wish to say in conclusion—

Mr. Deputy Speaker: Has the hon. member unanimous consent?

Some hon. Members: Agreed.

Mr. Tucker: I thank the house very much. I shall not take more than a minute. There is one point I wish to make in conclusion. I should like to draw to the attention of hon. members of the opposition section 37. While it provides that the people carrying out their duties under this act cannot be proceeded against, it definitely provides as follows:

Nothing in this section limits or restricts the rights of any person against the crown.

Thus rights are fully preserved, to go to court and to protect the interests of the citizens against the crown.

In conclusion, Mr. Speaker, I submit that for anything done by the government under this act in the realm of interfering with individual liberties they must answer to the courts on the grounds of particular action. For anything that may be done along the lines of general policy they must answer to this parliament and the elected representatives of the people of Canada. I submit that in no way are the rights of the individual diminished or infringed upon except as is necessary to protect our country in these times undoubtedly of great crisis.

Mr. Fleming: Will the hon. member permit a question? Will he say how he can square section 28 of the act with the statement he has just made, to the effect that there is no trespass on the rights of the individual or on the constitutional position of the provinces?

Mr. Howe (Port Arthur): People with short memories should not ask that question, because it has been invoked for a purpose that my hon. friend should recall.

Mr. Fleming: I am asking the question for the benefit and the information of the minister.

Mr. Tucker: I have been asked a question with regard to section 28, which reads as follows:

28 (1) The governor in council may, by order, direct that a person shall not be bound by any obligation, restriction or limitation imposed on that person by or under any statute, order, rule, regulation, by-law, or contract with respect to such matters as may be specified in the order affecting the entry into or performance of a defence contract by that person or the carrying out of an order made by the minister under this act.

[Mr. Tucker.]

Mr. Fleming: And subsection 2.

Mr. Tucker: It goes on to state:

(2) Where the failure to fulfil any contract, whether entered into before or after the 1st day of April, 1951, is due to the compliance on the part of any person with any provision of this act or any order or regulation, proof of that fact shall be a good defence to any action or proceeding in respect of the failure.

With regard to that section, I was asked whether I said that did not entrench upon the powers of a province. My answer to that question is this. If any action is taken under this section that in any way infringes upon the rights of a province under the constitution, all they have to do is go to the courts about it and that action, if actually such an infringement, will be ruled to be ultra vires.

Mr. Drew: If the hon. member thinks this would be ultra vires, why is he supporting sections that are themselves ultra vires, in his opinion?

Mr. Tucker: I am saying this, and I do not know whether the Leader of the Opposition was in the chamber when I was speaking—

Mr. Drew: I have not been out of it.

Mr. Tucker: This is to be a permanent act now. I suggest to the Leader of the Opposition that conditions might arise which would be different from those of today. Whereas today certain sections of the act might be ruled by the courts to be ultra vires, conditions might arise during the life of this act, which is indefinite, whereby without any doubt these powers would be regarded as intra vires of the government of Canada. For example, a declaration of national emergency would bring all these powers into full force and effect without any question, and there is nothing to prevent that declaration being made if conditions so warranted.

Mr. Fleming: But lacking that declaration now in this legislation are we to understand the hon. gentleman to say that under existing circumstances if any order is made—

An hon. Member: We are not in committee.

Mr. Deputy Speaker: Order. I am afraid I shall have to point out to hon. members that we are not in committee, and that the hon. member had extended time by unanimous consent.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, in spite of all the charges and countercharges that have been flung back and forward across this chamber today, it would appear that all the groups in this house are in agreement on one thing, namely that the Department of Defence Production should be continued. What the disagreement seems to be about is the continuation of the unusual

powers contained in the act. I think the key to the whole thing could be summed up in the words used by the hon. member for Rosthern (Mr. Tucker) just a few moments ago when he said, "in times like these".

I do not think anyone in this house would have any complaints whatsoever about the government having the powers laid down in the Defence Production Act in times of emergency. Certainly I would not. What I object to is that those extreme powers are being held and can be used by the government and by the minister not only in times of extreme emergency but at any time they desire to invoke them. There is no doubt that the terms of the defence production bill allow the Minister of Defence Production to control all phases of life in this country at any time he desires to enforce the terms of this act. In other words it could be a virtual dictatorship if the minister should decide to make it so.

Mr. Hansell: Or if his successor wished to make it so.

Mr. Thomas: Yes. I was going to say that; or any other minister who might come after him.

There should not be on the statute books any law which will allow to creep in abuses which could oppress the people of this country. That is the thing in this defence production bill that we are protesting against most strongly.

In introducing the original act the Prime Minister said there were some sections that should not be permanent. The Minister of Defence Production made the same statement. But now they seem determined to make them permanent, in spite of all the objections from those on this side of the house. We want to know what ones are objectionable, and we want to know what changes have occurred over the past three or four years which make it necessary to make these sections permanent now, when it was felt that they should not be permanent in a time of emergency and preparation for the Korean conflict.

As the hon. member for Peace River (Mr. Low) said the other night in speaking on that matter, if the government feel that these special powers are necessary at this time—and I am not going to argue with them on that score; maybe they are—they should make provision in the act to allow parliament to periodically review the need for these special powers, preferably every year or two. If that is done, then the parliament of Canada at given intervals could determine whether or not the powers of this department are necessary.

It is all right to say we can discuss this matter on the estimates and that we can cut down the minister's money if we feel that he is abusing his powers. Let us face the facts. Who is going to deny to the minister the money to make this country secure, even though we dislike the policy that department of government is carrying out? These powers could be—I am not saying they would be—used to pressure any person or any group of persons or any business into submission simply by threatening to invoke this act and make the products of any industry necessary for the defence of Canada.

I do not like any legislation, indeed I fear it, which gives any person or persons the right to oppress the people of Canada, whether or not they are going to use those powers. The powers are there and they can be used if anyone not quite as sincere and honest as is the Prime Minister should decide to do so.

The hon. member for Nanaimo, speaking yesterday, said we did not have the nerve to move amendments to the act. It is quite apparent that he was not listening too carefully when the hon. member for Peace River spoke the other night, because the hon. member for Peace River, in making his statement, said this:

> I think the right thing for us to do would be to support those things which the minister requires and which are right, but also to serve warning that when the bill is in committee we will move for the deletion of clause 2, which repeals section 41 of the act, and offer an amendment to make it mandatory upon the government to bring the act back to this house for complete periodic review and scrutiny. We are unalterably opposed, may I repeat, to the granting to the minister and his department of unusual powers on a permanent basis, and against that we will continue to fight.

This quotation will be found on page 4540 of *Hansard* for June 8 of this year. As the minister said, this is a simple bill. It is short in length but extremely long in implication. This afternoon the hon. member for Vancouver South (Mr. Philpott) and other members as well, speaking from the C.C.F. or Liberal side of the house, said the question we should ask is this. Is there a world emergency? I do not think that is the question that should be asked at this time, because there is a world emergency now; and since there is a world emergency probably the minister needs the powers set out in the Defence Production Act at the present time.

The question that should have been asked by hon. members is this. Is there a permanent world emergency? Let us hope not. If there is not a permanent world emergency, then there is no necessity for making this act permanent.

Mr. Nicholson: When is it going to end?

Mr. Thomas: We do not know when it is going to end. The solution is for the minister to ask for an extension of the act, as he has been doing. It expires in 1956, and he should ask for a four or five year extension if he so desires. If in the meantime it is desired to make the Department of Defence Production a permanent department, then that could be done under a special act without these special powers, and these special powers could be made a sort of appendix to the act.

It has been charged by at least two speakers, I think, that we have opposed the continuation of this department. I hope this afternoon I have made it quite clear that we do not oppose the continuation of the Department of Defence Production.

Mr. McIlraith: Why not vote for the bill, then, and take up the other points in committee?

Mr. Thomas: I have told the hon. member what we were going to do in committee.

Mr. McIlraith: Why do you not vote for the bill, and get it into committee?

Mr. Thomas: The hon. member can make his statement later. I am going to say this, and I shall repeat it for the hon. member's information. There has been no Social Crediter who has ever said the department should be discontinued.

Mr. McIlraith: That is right.

Mr. Thomas: That should be clear enough, I think. But let us have adequate control by parliament. As to the length of time there may be a necessity for these unusual powers in the act, let us have something of the nature that was requested at the resolution stage, giving us the right to periodically dig into the department to see whether or not the department should continue to have the same powers.

Mr. D. S. Harkness (Calgary North): Mr. Speaker, that great parader of red herring, the hon. member for Rosthern (Mr. Tucker), really excelled himself a few moments ago and paraded before us a whole procession of red whales to confuse the issue. He was not content with that smaller breed of fish usually referred to in this regard. One would think from the hon. member for Rosthern's remarks that no defence arrangements whatever could go ahead in this country unless this bill were passed and the Minister of Defence Production were given a free hand. One would think from the hon. member's speech that this bill was essential to prevent wholesale profiteering and other terrible spectres of that nature which he conjured up from his imagination. One would think from his speech that this bill was essential to protect the liberties and pocketbooks of the taxpayers. I ask you, Mr. Speaker, what could be further from the real facts than all those red herrings which the hon. member for Rosthern paraded before us in his usual loud voice?

I propose, Mr. Speaker, to get back to the realities of the situation, to get out of this more or less wholly imaginative field into which a number of speakers on the government side and of the C.C.F. seem to have strayed. I think the hon. member for Rosthern, of course, took the palm as far as these imaginative wanderings were concerned.

When the Minister of Defence Production opened this debate on second reading last Tuesday he said this was a simple bill containing only two sections. I will agree that when you look at the bill it is a simple bill. It contains just two short sections. But what is involved in the bill is anything but simple. This is a bill amending the Defence Production Act. Naturally, as with all amending bills, we have to relate the bill which is before us to the act that is amended. So far as the first section of this bill is concerned, which increases the salary of the minister to the usual $15,000, we have of course absolutely no objection. Nobody has, and that does not enter into the argument. As was pointed out by the last speaker, no one has said during this debate that the defence production department should be abolished. I believe everyone is agreed that it should be continued on a permanent basis.

But when it comes to the second section of this bill, which repeals the time limit on the powers contained in the present act, that is a totally different question. It seems to me this second section contains a new, and I think extremely dangerous, principle so far as the government of this country is concerned. We in this party base our opposition to this particular bill on that principle.

A few moments ago the hon. member for Ottawa South (Mr. McIlraith) asked why we did not vote for the bill if the defence production department should be continued on a permanent basis. The reason I am not prepared to vote for the bill, and I think the rest of the members of this party feel the same, is that it contains this principle. I would state the principle in these terms, that the government or the minister shall have extraordinary and dictatorial powers in a time of peace, or at least as close to a time of peace as we are likely to get in the foreseeable future. That principle is definitely embedded in this clause repealing section 41 of the present act. The minister wants to repeal the only saving clause in that act, the one which permits a review of the act by parliament at a specific time.

I believe the whole trend in British countries enjoying the British parliamentary tradition has been that extraordinary powers are given to the government in times of emergency or semi-emergency for a limited period of time, and a limited period of time only. In this particular bill the government proposes to forget all about a time limit and to have embedded in the statutes of this country on a permanent basis these extraordinary powers which the minister and the government would have.

That is the principle involved in this bill, and that is what we object to. It seems to me an extremely dangerous precedent to set, when an effort is made to put on the statute books a measure of this sort without any time limit whatsoever. It would be an admission on the part of this parliament that the ordinary safeguards against the executive becoming too powerful have been forgotten and abrogated. It would seem that the government does not care about those things; but we in this part of the house do care about them, and that is why we are opposing the bill.

It did not seem that the hon. member for Cape Breton South (Mr. Gillis) realized the principle at stake. He never mentioned the principle to which I have drawn attention, but spoke entirely about other things. He was attempting to argue that this is not a period of peace. Well, it may not be a period of peace such as was known before the first great war, or between the first and second wars. But it is certainly a period of peace when compared with what we had between 1939 and 1945 and from 1950 until a few months ago, when the war in Indo-China came to an end. Certainly at the present time there is no hot war in progress that I am aware of.

I say therefore that this is a period of relative peace, or as close to peace as we are likely to get for some time. I suggest we must consider the Defence Production Act from that point of view, and not relate it to a lot of fancied dangers or emergency conditions because we are not back to a situation such as prevailed in Victorian times.

This bill is directly contrary to the accepted tenets of British parliamentary government and the rule of law, as they were taught when I went to university and as I believe they are still taught. It is contrary to what most of us have been taught to accept as the best form of government any country could follow. There can be no doubt that to embed powers of this kind in our statutes on a permanent basis, to be used in time of peace as well as in time of war, is not consonant with the general principles of British parliamentary government.

We have seen what might be called a competition between members of the C.C.F. and of the government in praising the Minister of Defence Production. They have said some very nice things about his qualifications for the job he has done in the last 15 years. I suggest, however, that those considerations should not enter into this discussion at all. It is a red herring. Those who have spoken from the C.C.F. and Liberal parties have been saying that the minister has been a good patriot, has been a good controller of industry, and that we can safely leave things in his hands.

I do not accept all of that; it has been a little too fulsome for me. But, even accepting all that, what does it have to do with the principle of this bill? Absolutely nothing. No matter what may be the qualifications of the minister, those qualifications have nothing to do with embodying in the law of this country a principle which is contrary to the basic ideas of the rule of law and British parliamentary institutions. I can only look upon this competition between members of the C.C.F. and those of the Liberal party, when they praise the minister, as taking place because they have no other argument to offer. They had no real arguments to offer to support the principle of the bill, and neglected to discuss the principle so far as they could. The minister did not deal with the principle involved, either. He glossed over it; and I do not blame him for glossing over it because had he not done so he might have spoiled the case he made, if indeed he made any case. His speech was devoted chiefly to why in his opinion the powers are needed.

Mr. Dickey: What other principle is there in the bill?

Mr. Harkness: I have just dealt with the principle of the bill, but if the hon. member wishes I shall give it again. I have said that I think the principle of the bill is that the government or the minister shall have extraordinary and dictatorial powers in a time of peace and without any time limit. That is the principle involved in the bill, and to that principle we object.

Mr. Richardson: May I ask the hon. member a question with reference to his comment about the time limit. I am wondering if he has read section 34 of the Defence Production Act.

Mr. Harkness: I have read it, but offhand I cannot recall exactly what it says. However, after looking at it briefly, as it is now

handed to me, it is clear that the hon. member is even more confused than his colleagues who have taken part in the debate.

Mr. Richardson: I was just asking the question.

Mr. Harkness: Section 34 refers only to the annual report.

Mr. Drew: It shows that nothing was done last year by way of special orders.

Mr. McIlraith: Read it out loud.

Mr. Harkness: If the hon. member wishes to have it read, then I shall read it. It says:

> The minister shall, before the 31st day of March in each year, prepare a report showing the operations of the department during the year last preceding and shall after completion of the report forthwith lay it before parliament, or if parliament is not then sitting, shall lay it before parliament within 15 days after the commencement of the next ensuing session.

What has that to do with the time limit? I do not know how members on the Liberal side can be so confused and so completely unable to read and understand a section in a statute.

Mr. Dickey: People in glass houses should not throw stones.

Mr. Harkness: I am beginning to understand why we have had some of the speeches in support of the government. If there is no sensibility apparently there is no feeling, and no understanding.

Mr. Dickey: That is more than can be said about the speech we are hearing now.

Mr. Harkness: I was saying that the minister had neglected to discuss the real principle in the bill. He glossed it over in the hope, I suppose, that the rest of us would pay no attention to it either. The greater portion of his speech was devoted to a discussion of why in his opinion the powers are needed. Then he stated that they are not really such extraordinary powers as opposition members have said. As I have said, his speech ignored completely the principle in the bill, and that is why we are offering this opposition.

The minister said that in his opinion there are no provisions in the bill which could be considered contrary to the supremacy of parliament. I submit he is not the best judge of that.

Mr. Howe (Port Arthur): It takes a good lawyer like you, eh?

Mr. Harkness: I think perhaps a number of members in the house might agree that the minister is either the poorest or one of the poorest judges as to what would constitute an infringement on the supremacy of parliament. However, the minister—

Mr. Dickey: What section is infringed?

Mr. Harkness: The minister may be more expert in this regard than I am giving him credit for, because I know he is the author of quite a number of these infringements; therefore he knows something about infringement of the supremacy of parliament from the practical point of view.

Mr. Dickey: Will the hon. member permit a question?

Mr. Harkness: Well, Mr. Speaker, I am always ready to permit sensible questions, but I have found that the questions of the hon. member are generally inane and in the circumstances I would prefer to wait until I finish my general remarks, so they will not be broken by these senseless interruptions. At the end of my speech I shall be delighted to answer the hon. member's questions.

Mr. Richardson: On a point of order, the hon. member has just referred to an hon. member of this house as having infringed the supremacy of parliament. Let him make it more specific.

Mr. Harkness: Well, I do not know that the hon. member needs to come to the defence of the Minister of Defence Production, who apparently has not taken issue with that statement. Therefore the hon. member sitting in the far corner has no question of privilege. If anybody has a question of privilege it is the Minister of Defence Production, but he has not raised it.

Mr. Herridge: Mr. Speaker—

Mr. Harkness: I might tell the hon. member for Kootenay West (Mr. Herridge) it is difficult to follow the orderly development that I was intending because of the various interruptions.

Mr. Herridge: It is difficult for us, too.

Mr. Harkness: I can understand that. It is nearly always difficult for the hon. member to follow anything of a sensible nature. Therefore there is no change in that point of view; it is just normal.

Mr. Herridge: We get very little of it in speeches from the right.

Mr. Harkness: Let there be no doubt that the powers which are contained in the present Defence Production Act, and which the minister wishes to have continued indefinitely by this bill, are extraordinary powers. The minister himself admitted readily enough back in 1951, when the act was introduced, that these were extraordinary powers. He made no bones about it at that time.

Mr. Howe (Port Arthur): Let us read it once again.

Mr. Harkness: If the minister insists.

Mr. Howe (Port Arthur): I love to hear it read. This will be the tenth time.

Mr. Harkness: On this particular occasion, in order to prevent—

Mr. Howe (Port Arthur): This is a great contribution, now.

Mr. Fleming: You asked for it.

Mr. Harkness: I am not going to read the quotation you think I am. Lest there be any question that the whole thing is not being read and that it is being wrenched out of context—the minister is very fond of things being wrenched out of context—I shall read all the particular paragraph that is applicable. It is found on page 836 of *Hansard* of 1951:

> It is proposed that the act would expire on July 31, 1956.

Before I continue with the quotation I should like to point out that all these great cries on the part of the hon. member for Rosthern and others that if this bill were not passed and the minister were not given these powers our whole defence effort would practically crumble up, and we would be in immediate and terrible danger, is complete nonsense. This act will be in effect until a year from this coming July. There is no emergency about this matter; there is nothing to worry about whether we pass this bill or not.

Mr. Howe (Port Arthur): Who is worrying?

Mr. Harkness: I would suggest that the minister—

Mr. Howe (Port Arthur): My hon. friend is worrying. I do not think anyone else is worrying.

Mr. Harkness: I am not worrying.

Mr. Howe (Port Arthur): I live in Ottawa; I would just as soon stay here all summer.

Mr. Drew: You may have to stay longer than you think.

Mr. Harkness: The hon. member for Rosthern was worrying, and the hon. member for Cape Breton South was worrying. He suggested that if we did not get this bill through the emergency situation is so frightful that the whole economy of the country might collapse. Let me continue the quotation:

> It is proposed that the act would expire on July 31, 1956. There is no particular significance to this date, other than to recognize that some of the powers sought in this bill are special powers which should not be of a continuing nature.

Mr. Howe (Port Arthur): The hon. member said he was going to read the whole paragraph.

Mr. Harkness: I shall read it all, if you like.

> Bearing in mind the present situation, and the program which has been announced by my colleague the Minister of National Defence (Mr. Claxton), a period of five years seems a reasonable minimum for the duration of the act. In the bill, provision is also made for the repeal of the Essential Materials (Defence) Act and for the suspension of the Defence Supplies Act during the period of operation of the Defence Production Act.

Is the minister satisfied that everything is in context?

Mr. Howe (Port Arthur): Yes; this is the tenth time it has been read.

Mr. Harkness: As long as the minister is satisfied that nothing has been wrenched out I shall devote my attention particularly to this. "Some of the powers sought in this bill are special powers which should not be of a continuing nature." The minister said that in 1951. Neither he nor anyone else has said in 1955 that that was an incorrect statement and that it is not still applicable. If that were true in 1951 I submit it is still truer in 1955.

Some of these powers are of an extraordinary nature, and they should not be of a continuing nature. Yet that is the very thing this bill proposes to do. The minister was agreeable to a time limit in 1951. I ask him why he is against a time limit now? What has occurred to change his mind? Is the emergency greater now than it was in 1951?

Mr. Howe (Port Arthur): It certainly is.

Mr. Harkness: Well, the minister is the first one to say that, and this is the first occasion on which I have heard him say the emergency is greater now than it was in 1951.

Mr. Howe (Port Arthur): The communist countries did not have hydrogen bombs in 1951.

Mr. Harkness: No, they had no hydrogen bombs. I shall come to that. Certainly the minister is the first one, and this is the first time I have heard anyone say that the emergency we are in now is greater than it was in 1951.

Mr. Howe (Port Arthur): What do you think?

Mr. Harkness: The Prime Minister has not said so. I doubt very much whether the Prime Minister will say so. The Secretary

of State for External Affairs has not said so; the Minister of National Defence has not said so.

Mr. Howe (Port Arthur): I think most people read the papers.

Mr. Drew: The Secretary of State for External Affairs said the very opposite.

Mr. Harkness: The Secretary of State for External Affairs has certainly done his best—

Mr. Howe (Port Arthur): To say that the Secretary of State for External Affairs has said it is not as dangerous now as it was in 1951 is ridiculous.

Mr. Drew: That may be so, but say it to the Secretary of State for External Affairs.

Mr. Harkness: The Secretary of State for External Affairs has done his best to give the impression to this house and to the people of Canada that things are considerably better now than they were a year ago, two years ago, three years ago, four years ago.

Since the minister has raised this point, I should like to examine what the situation was in 1951 and examine briefly what it is now. What were the circumstances in 1951? The Korean war was going on. There was extreme apprehension of a third world war breaking out at that time. In view of the extreme apprehension of a third world war breaking out, not because of Korea but because we were afraid a third world war was coming, a whole new defence build-up in Canada was announced and proceeded with. That was the situation then. We started the big expansion in defence at that time. The world situation was looked upon as extremely uneasy, extremely dangerous. We got started on a whole lot of civil defence activities at that time, and so forth.

What is the situation today? There is no fighting war going on at the present time. The world leaders are all making statements that they are hopeful the tension of the world is easing, including our own Secretary of State for External Affairs. In other words, the picture is better from every point of view except for one thing. That one thing is that the Russians now have better and faster bombers, they have a larger atomic stockpile, and they have the hydrogen bomb. Apart from that the whole situation is better than it was in 1951.

Mr. Howe (Port Arthur): It is wonderful.

Mr. Dickey: Is that not enough?

Mr. Harkness: In other words the emergency is not nearly as acute as it was in 1951.

Mr. Howe (Port Arthur): It begins right after they drop the first hydrogen bomb.

[Mr. Harkness.]

Mr. Harkness: The minister is trying to bring up another red herring, another bogeyman. As a matter of fact if a hydrogen bomb is dropped on this country it will not make one iota of difference whether the minister has these powers now and for the next year or two or whether he has not. It will not matter one iota. If a hydrogen bomb is dropped on this country the giving to the minister of these extraordinary powers in the next month or so, the next year or so, or whatever the length of time may be is not going to make any difference. That is a complete bogeyman.

The greatest period of activity by the Department of Defence Production presumably is over. We have had the defence build-up. I am not arguing, and no one is arguing, that the department is not going to still have a great deal to do, but its greatest period of expansion, its purchasing and so forth in such large quantities, is presumably over unless a full-scale war comes on. Whilst all this was going on, whilst all this large amount of purchasing was taking place, the minister got along quite well with the present act. The fact that there was a time limit in it had no effect. Why is he now opposed to a time limit? I ask that question again; why does he say that this section 41 must be repealed and there must be no time limit in this act? Nobody has answered that question, and as a matter of fact I think the reason nobody has answered it is that there is no reasonable answer. There should be a time limit.

Taking it from another point of view, as far as I know there are no shortages which require or are likely to require on short notice the institution of a priorities system. As far as I know there is no shortage at the present time of any essential material. As a matter of fact people are trying desperately to sell them. As far as some commodities are concerned, we are in a surplus position and are having difficulty finding markets.

I think it is quite evident that there is no industry which requires coercion on the part of the government to have it fulfil government orders. Practically all our industries are only too glad to get government orders. They are bidding vigorously against one another and taking all measures possible to get government orders, rather than requiring to have coercion applied to them to take such government orders. So from the point of view of the necessity for priorities in the case of essential goods, and the necessity of coercion to force industry to manufacture certain articles which are wanted, there is no need for these powers at the present time.

It just does not relate to the practical situation as we have it before us at the present time.

If the situation worsens, and if greater powers are required by the Minister of Defence Production and by the government generally, they can be readily secured. Some of us regret the fact that parliament is in session for over half the year, but at times we have sat here for nearly the full 12 months, with just short breaks in between. Parliament would be available the greater portion of the time; and in case the situation worsened, or in case there was apprehension that it would worsen, parliament could readily give these powers. If parliament happened to be out of session it could be called together within a very short time to grant these powers. There is nothing in the argument that these things are necessary for the security of the country.

As I pointed out, the minister has all these powers anyway until July, 1956. If the worst happens, if what the minister was referring to a moment ago happens and a hydrogen bomb is dropped on this country by any unfortunate chance—

Mr. Dickey: It would not be by any chance.

Mr. Harkness: —the fact that the minister had or had not these powers would not have anything to do with it. If that sort of thing happened it would happen rapidly; and if it did happen the War Measures Act would come immediately into force. Therefore from that point of view there is no argument as to the necessity for these powers at the present time, in a period of comparative peace.

I think it really comes down to this, that there is no real need for the extraordinary powers in the Defence Production Act from any practical point of view. However, the minister likes these powers and he is determined to have them, and without any time limit. I think that is what it really comes down to. The minister's speech on Tuesday was quite illuminating and significant from this point of view. I should like to examine one or two of his statements, and he will be glad to know that these have not been quoted before. Perhaps he will be happy to hear again what he said on Tuesday. I would refer first to page 4501 of *Hansard* of June 7; and so that I may not be accused of wrenching something out of its context —there are only four lines I really wanted to refer to—I shall read the whole paragraph, which is as follows:

> The department has been permanent in effect since it was formed in 1939. After the department of munitions and supply was liquidated in 1948 its work was carried on as a branch of the Department of Trade and Commerce without a departmental act. It was found most difficult to carry on in that way—

This is what I want to emphasize:

> —and we were glad indeed to have reason for forming the Department of Defence Production and asking parliament to enact a proper Defence Production Act.

Just think of the implications of that statement, that "we were glad indeed to have reason for forming the Department of Defence Production and asking parliament to enact a proper Defence Production Act". By a proper Defence Production Act the minister means one which gives him all these extraordinary powers. What the minister is really saying there is that he was glad the Korean war gave him a reason for resuming the powers which he had during and subsequent to the last war under the various emergency measures of that time, and in the immediate post-war period.

Mr. McIlraith: That is not the meaning of what you have read.

Mr. Dickey: Nonsense.

Mr. Harkness: I know the hon. member is a connoisseur of nonsense because he produces so much of it; nevertheless I give him sufficient credit for being able to read English, and I recommend this reading to him. I shall read it again:

> —and we were glad indeed to have reason for forming the Department of Defence Production—

Mr. McIlraith: For forming the Department of Defence Production.

Mr. Harkness: What that means is that the minister was glad the Korean war gave him an opportunity to resume his extraordinary powers.

Mr. McIlraith: To form the department, is what he said.

Mr. Fleming: With those powers.

Mr. Harkness: With those powers.

Mr. Dickey: Absolute nonsense.

Mr. Harkness: It is obvious from that paragraph that those powers were liquidated in 1948 and the minister was lonesome without them. He felt lost without them. He had had them for about nine years at that time, and he just did not feel at home without them. He had become accustomed to these special extraordinary powers, and he was delighted to get them back. That is what he said in this statement. He was happy that he could resume with these special powers.

This is a most revealing statement from the psychological point of view. I think it points up strongly what we have all been told quite

frequently and what I think we know, that power once held is never willingly released but always augmented if possible. The minister seized on this chance to get back his wartime powers, and he is now determined to have these powers for as long as he wants and without any question of referring back to parliament to have them extended or not extended or perhaps taken away from him. He is not going to take any chance on losing them or on making again what he no doubt considers the mistake of relinquishing these powers.

What he did in 1951 was really getting in the thin edge of the wedge, with the passing of this Defence Production Act in a period of emergency, with a time limit on it and so forth. But now he wants to drive in that wedge right to the hilt, and to embed it so firmly and strongly in the constitution that we will never be able to get it out; at least we will never be able to withdraw it as long as he is minister.

Now let us look at another statement by the minister which is found on the same page, immediately beneath the previous one I read:

> The munitions and supply act was enacted in 1939 and was amended from time to time as the experience of the department indicated was necessary. The present act was based on the final edition of the munitions and supply act, and has proved to be comprehensive enough to cover all the situations we encounter in defence purchasing.

The part I wish to emphasize is that the present act was based on the final edition of the munitions and supply act. In other words the present Defence Production Act to which this amendment relates was based on the act which was in force at the very peak of the minister's dictatorial powers during the war. He took as the model for this act the form of the act when he was right at the top as far as dictatorial powers were concerned. The minister wants nothing but the best, nothing but the most extreme, as far as these dictatorial powers are concerned. Not for him any watered down version of these special or extraordinary powers, not for him any cold war shadow of his hot war powers. He wants the whole thing. He wants all or nothing. He went on in a subsequent statement to elaborate on that again, and I would like to put that on the record. At the top of page 4511, on the righthand side, of *Hansard* for Tuesday, June 7, 1955, the minister said:

> In my opinion these are the powers needed to carry out Canada's defence production program. Either you have a defence production act with these powers, and all these powers, or you have no act at all.

The minister is not prepared to admit that you could have a Defence Production Act which would be quite adequate for the present situation to enable him to operate and get all the supplies he needs without having all of these special and extraordinary powers which he secured and had at the very apex of his position during the last great war in 1939-1945. He must have them all. Apparently nothing will satisfy the minister except complete power to do as he wishes as far as the economic life of the country is concerned.

With all these powers, as has been pointed out by the minister and by others, I believe it is true that he will not use a large number of them. There are quite a few of these specific sections, and so forth, he will not use; but the important thing is that he has a bludgeon once he has this passed, a bludgeon with which he can threaten any businessman or any other person in the country to get what he wants. I have no doubt that is a very satisfying feeling for the minister to have. He likes to be in that position. He was in it for a long time; he has admitted in his own speech he was disappointed when he got out of that position, and was glad to get back into it when the Korean war came on.

Mr. Deputy Speaker: I am very sorry to interrupt the hon. member but I am obliged to advise him that his time has expired.

Mr. Dickey: Would the hon. member permit a question from me now?

Mr. Harkness: Yes.

Mr. Dickey: Would he be good enough to tell us the sections in this Defence Production Act he considers abrogate the rights of parliament?

Mr. Harkness: Yes. I think section 5 is one that would come in that category, and sections 15 to 32 or 33 inclusive—I have forgotten exactly which—would come in that category. Most of them at any rate are far beyond what is needed.

Mr. Dickey: I was asking about those that abrogate the rights of parliament, not whether the powers are needed.

Mr. Howe (Port Arthur): They all do that!

Mr. Harkness: As Mr. Speaker has indicated that I have come to the end of my time, I do not wish to transgress.

Mr. Howe (Port Arthur): Saved by the bell.

Mr. Harkness: I fear I cannot answer. I had a considerable number of words for my hon. friends, the socialists on my left, and I am sorry I am not able to give them.

(*Translation*):

Mr. Leon Balcer (Three Rivers): Mr. Speaker, through this bill the government would have us continue those immense powers granted by the Defence Production Act of 1951, and not only for one year, two years or five years, but indefinitely.

As everyone will recall, this act of 1951 had been passed at the time of the crisis resulting from the war in Korea, in the face of an emergency, and even then the opposition had made some well-advised reservations. At that time hundreds of thousands of communist Chinese were pouring across the North Korea boundary and casualties among the United Nations troops were running into the thousands. The situation had really become disastrous, and the free world was keeping an anxious eye on the battlefields in Korea.

Fortunately, today, while the world situation remains unsettled, we can rejoice at a considerable improvement. The situation in Korea has been stabilized and Western Germany has regained its sovereignty and freely joined the organization of Atlantic nations. Western nations are now experiencing their greatest boom since the beginning of the 1939-45 war.

For that reason, an atmosphere of relief can be felt throughout the world. Instead of living in an atmosphere of tension and emergency, as in 1951, those who are responsible for the defence of this country now have time to plan the co-ordination of our defences and do not have to take action in the midst of a crisis or emergency which is getting worse day by day.

No doubt, because of the cold war and the dangers of aggression from Soviet Russia and its satellites, our country has to assume obligations which warrant the existence of a department of defence production whose job it is to look after the procurement and production of supplies needed for our armed forces, without, however, jeopardizing the whole economy of this country.

But if Canada's obligations in the international field justify the existence of such a department, they certainly do not warrant the fantastic powers which the government seeks to have renewed and forever included in the statute books.

The government seems to have forgotten altogether that there is still a parliament in Canada. Of course, there are times when parliament is not sitting, but we should keep in mind that the house is in session from six to eight months a year, and that within the last five years the house has been known to sit for some ten months. Moreover, members may be required to convene here at any time, at a few days' notice. Why should all these extraordinary powers, which may have such impact on the economic life of the nation and even on the dearest rights of individuals, be withdrawn from parliamentary jurisdiction?

The minister may say that he needs such powers to face any emergency that might occur; but it is precisely in order to face this emergency that the War Measures Act has been included in the statute books.

At any rate, nothing in the present outlook can justify the enactment of a measure which would delight the most autocratic of dictators, especially in a democracy such as ours.

The members of my party who have spoken previously have shown eloquently the dangers which would threaten our parliamentary system if such powers were granted to the Minister of Defence Production (Mr. Howe). The member for Prince Albert (Mr. Diefenbaker), with all the logic for which he is known, has very ably shown how dangerous such legislation would be for the individual citizens.

As for me, I should like to use the few remarks I wish to make to protest most strongly against some particular sections of that legislation. I would refer first of all to section 28, which reads as follows:

> 28. (1) The governor in council may, by order, direct that a person shall not be bound by any obligation, restriction or limitation imposed on that person by or under any statute, order, rule, regulation, by-law, or contract with respect to such matters as may be specified in the order affecting the entry into or performance of a defence contract by that person or the carrying out of an order made by the minister under this act.
>
> (2) Where the failure to fulfil any contract, whether entered into before or after the 1st day of April, 1951, is due to the compliance on the part of any person with any provision of this act or any order or regulation, proof of that fact shall be a good defence to any action or proceeding in respect of the failure.

That section is a breach of the Canadian constitution and it certainly cannot be said that the present government did not do all it could to tear apart our constitution. It has become a matter of habit for the hon. members opposite.

Section 28 grants the governor in council the power to annul the obligations placed upon the citizens by provincial laws. Nobody can deny that in this case provincial rights are being placed in the hands of a federal minister, who is given powers, truly arbitrary in nature, which go against the spirit of confederation.

It simply means that the federal cabinet can annul a purely provincial law merely by passing an order in council.

By a mere order in council, the federal cabinet may annul a perfectly legal contract entered into between a provincial government and those under its jurisdiction.

Now the seriousness of such a step on the part of the government implies a situation of extraordinary urgency, such as actual war or imminent danger. In that event, and in that event only, there might be some justification for the enactment of legislation imparting such tremendous powers to a minister of the crown. But in peacetime, and merely in order to ensure that the government may make purchases necessary for defence purposes and to ensure that Canadian factories turn out the materials necessary to our armed forces, we are writing into a federal statute certain sections under which the federal cabinet is allowed, merely through an order in council, to annul a law which is purely provincial in character and even to make null and void a contract duly entered into by a provincial government, on the one hand, and those under its jurisdiction, on the other. Such powers are excessive, but the tragic thing about this is that the government dares ask this house to place this act permanently in our statutes.

Let us consider for a moment the possible effects of section 28, if it were to be applied fully. In short, we are now being asked to insert forever in our statutes a section which would allow the federal government to disallow a provincial act, on the sole condition that the Minister of Defence Production obtain an order in council to that effect. I cannot think of a better example of dictatorial powers, and I wonder if it is not characteristically dictatorial to ask us to give carte blanche forever to a minister, at the very moment when the rights of the provinces are being consistently attacked by the most centralizing government which has ever existed in this country.

I don't have to multiply instances, as I believe that the Canadian population, at least in the province of Quebec, has not failed to realize the state of mind in which my hon. friends opposite approach this matter. No doubt some will say that, up to now, those dictatorial powers provided by section 28 have not yet been exercised. Nevertheless, we are being asked to insert forever in our statutes this section which includes all that is necessary to enable the federal government to lay hands on part or even on all the power resources of any province, even though such resources come under the exclusive jurisdiction of the provinces.

Section 30 gives the federal government the power to take over the whole highway system of a province.

Moreover, under section 28, the federal government may exempt from all provincial taxes any company or corporation holding some contract with the Department of Defence Production. I dare hope that those who drafted the legislation were not aware of the dangers of section 28, and I am satisfied that the Minister of Defence Production does not intend to use the powers it grants him. It is rumoured that the Minister of Defence Production will retire next fall and that the Prime Minister will do the same. You may well imagine—

Mr. Robichaud: As well as the Leader of the Opposition.

Mr. Villeneuve: Those rumours have been circulating for the past ten years.

Mr. Balcer: Well, this morning in the press gallery I heard that the Minister of Defence Production would probably be replaced by the chairman of the Canadian National Railways, Mr. Gordon. You can imagine—

Mr. Robichaud: The appointment is announced in the house!

Mr. Balcer: You can imagine how much that little dictator of the Canadian National Railways could blackmail the provinces, corporations and companies, if he had the extraordinary and dictatorial powers granted by sections 28 and 30. We of the opposition strive strenuously to erase from our statutes certain sections which constitute a danger for Canadian democracy, sections which go against the true spirit of the Canadian constitution. It is unthinkable in peacetime that our statutes should include a section which would authorize the government—not as a result of a vote taken in the house but merely by means of an order in council—to vest such powers in the Minister of Defence Production. In fact, upon request by the minister, the federal cabinet could exempt from provincial taxation companies or corporations that held contracts from the Department of Defence Production.

The federal government would then be in a position to deprive the provinces of their sources of revenue and compel them to accept subsidies that would make them wards of the federal government, an aim which the central government has been striving to achieve for several years past. That is why I am asking the members of this house to look closely into sections 28 and 30 so that the Canadian constitution will not be imperilled and that the rights of the provinces and all that they represent will not be infringed upon.

Mr. Speaker, such rights are an absolute denial of our constitution. I am now beginning to understand why the socialists rushed to the defence of their Liberal brethren in order to ensure that this dictatorial measure be permanently written into our statutes. These people, the socialists, have come to the aid of their Liberal brethren, knowing full well that the only way they can manacle the Canadian people is to ensure the passage of socialistic legislation which would paralyse private enterprise in this country, legislation such as is exemplified by sections 28 and 30, to mention only those two concrete examples.

Like this government, they never miss a single opportunity to make our country move towards the single central government and to put the provinces under its thumb.

The act as it stands endangers the prerogatives of parliament and the rights and prerogatives of the provinces. Moreover, Mr. Speaker, it is not justified by the present world situation, and its permanent inclusion in our statutes would weaken our constitution and the democratic ideals guaranteed by the constitution.

For all these reasons, I shall vote against this bill.

Mr. Boisvert: Will the hon. member permit me a question?

Mr. Balcer: If you get any fun out of it, go ahead.

Mr. Pouliot: This is going to be a press conference.

Mr. Boisvert: Does the hon. member agree that in 1951 the act, with the powers it confers, was necessary?

Mr. Balcer: We needed it at the time to ensure our defence but we certainly did not need such ridiculous powers as are requested by the adoption of sections 28 and 30. Besides there was a state of emergency at the time.

Mr. Gauthier (Portneuf): But in 1951?

Mr. Pouliot: It is the first time you are saying this; you did not say so before.

Mr. Gauthier (Portneuf): What was the emergency at the time?

Mr. Boisvert: May I ask a question—

Mr. Balcer: Make your own speech.

Mr. Boisvert: —a supplementary question?

Mr. Balcer: Go on, you have the floor.

Mr. Gauthier (Portneuf): Why don't you reply?

Mr. Boisvert: You just said there was a state of emergency—

(*Text*):

The Acting Speaker (Mr. Applewhaite): Order. I think the time has come for me to point out that the hon. member for Nicolet-Yamaska (Mr. Boisvert) may, if he sees fit and with the permission of the hon. member for Three Rivers (Mr. Balcer), ask a question, in which case when the question has been asked I suggest the hon. member for Nicolet-Yamaska should resume his seat and the hon. member for Three Rivers should come to his feet if he is going to answer the question.

(*Translation*):

Mr. Pouliot: He did not get this out of his own head, Mr. Speaker.

(*Text*):

Mr. Boisvert: Mr. Speaker, may I ask the hon. member if he would answer a supplementary question to the question I have already asked?

Mr. Balcer: I shall be pleased to answer it.

(*Translation*):

Mr. Boisvert: Is the hon. member for Three Rivers (Mr. Balcer) aware that a high-ranking officer of the Royal Canadian Air Force is said to have stated last Thursday that war could not be avoided?

Mr. Balcer: I think I saw it in the papers.

Mr. Gauthier (Portneuf): That, of course, is more annoying.

Mr. Balcer: Was that your question?

Mr. Gauthier (Portneuf): That's not so sure.

Mr. Boisvert: Hear, hear.

(*Text*):

Mr. G. W. Montgomery (Victoria-Carleton): I should like to make it clear at the beginning, Mr. Speaker, that it is not my intention to attack the present minister, nor to advocate that parts of this bundle of legislation that has been placed before us should be abolished. In common with the hon. member for Calgary North (Mr. Harkness), I believe there is a principle involved upon which I feel I must express an opinion.

Before coming to that, however, I should like to give the reason why I am quite prepared to consider the government justified in asking for the continuation of the department. I think the Prime Minister, when he introduced the resolution on March 10, gave us a good explanation as to why the department should be continued. I do not want to read all of what he said, but there are a few lines I should like to quote in order to show

that he went far enough and gave us enough information to enable me, at least, to support the continuation of the department. He said, as recorded at page 1904 of *Hansard* for March 10, 1955:

> This amendment is being introduced to extend the life of the department so that it may operate on a more permanent basis. We feel that there are a number of reasons for recommending this action at this time.
>
> Hon. members will recall that when the Department of Defence Production was established on April 1, 1951, it was to meet an emergency situation brought to a head by the fighting in Korea. At that time it was impossible to predict how long the need for greatly increased military defence procurements would continue. To meet the immediate situation, the government embarked on a three-year defence preparedness program which it was later found necessary to extend because of circumstances which continued to exist. Procurement machinery to carry out this was established on a short-term basis. Almost four years have elapsed since the Department of Defence Production was set up and it is now apparent that the temporary character of the department is neither in keeping with the international outlook nor satisfactory from an administrative point of view.
>
> As far as the need for a separate department responsible for the production and supply of Canada's military requirements is concerned, the situation has not changed. The peak of the defence program is past—

I think those are significant words.

> —at least we hope that what is past will prove to be the real peak, that will at no time be exceeded—but it is levelling off at a relatively high level and the magnitude of the program is such that we feel it should not be left to the responsibility of crown agencies or branches of other departments with important functions of their own to perform.

Then, leaving out certain portions and coming to the foot of page 1904 of *Hansard* for March 10, 1955, we find this:

> To carry out production and procurement to meet Canada's present sizeable and complex defence program requires a department staffed by competent and experienced officials. Hon. members will appreciate that it is difficult to attract and retain high-calibre civil service personnel in a department that is looked upon as temporary, that is to say, to have them come there for an indefinite time, and that is particularly true in peacetime.

This was on March 10, 1955, and it will be noted that the Prime Minister refers to this period as one of "peacetime". Then he continues:

> When the situation is really critical, well, the critical nature of the situation weighs heavily in the minds of those who make their services available for the benefit of their fellow citizens. But when it extends as something which nevertheless becomes a semi-permanent feature of the necessary requirements, it is desirable, we feel, to have some permanent character to the organization.

That does give some information. I think every member in the opposition, including myself, agrees that if we can be shown something is necessary we will not oppose it. We are satisfied it is important that the department be maintained for the purpose of retaining the personnel.

Then we have no quarrel with that clause in the bill which fixes the minister's salary. However, when we come to the powers being conferred upon the minister we feel that an important principle is involved. The Prime Minister is not very definite on that point, and says this:

> I do not feel that the time has come to take out of the act those powers which are there and which enable the department to deal expeditiously with any situation that would interfere with the regular maintenance of Canada's defensive strength and the regular carrying out of Canada's undertaking.

The Prime Minister says he does not feel the time has come. I suggest that neither would he feel that these powers about which hon. members have been speaking, and which they have quoted, should be written into the law of the land. And that is where we take issue with this bill. Certainly no one wishes to tie the hands of the minister. When the Defence Production Act was introduced in 1951 it was my understanding that it was considered to be emergency legislation. The country was engaged in actual warfare. We had troops fighting in the front lines. We had commitments with our allies which had to be carried out with the least possible delay. Apparently, however, there was nothing but disorganization facing the government. We were neither prepared nor organized to meet that sudden emergency. Apparently no efficient machinery was available, and the country was faced with an emergency.

I understand that at that time the government did not wish to invoke the War Measures Act because it might indicate that our people were becoming involved in a major war, which the Korean outbreak was not considered to be. As has turned out, the military activities at that time were confined to what might be described as only a minor disturbance when compared with the two great wars which in our generation have bled not only this but other countries.

Therefore the government at that time, and I believe rightly so, decided that it should have these extraordinary powers. While I was not in the house and did not hear the arguments, I understand there was very little objection to the legislation. It was considered to be of a temporary nature and for a limited time only. It was to bring about speedy and efficient action in meeting a sudden emergency in which the country found itself. It was deemed expedient and wise to set up a new department of government. And as the years have gone by everyone seems to agree that this was a wise

procedure, and that the department has done efficient work. The minister was charged with the responsibility of securing the necessary defence supplies, not only for the Department of National Defence but other supplies considered necessary for the successful prosecution of the war, or the carrying out of a full defence program.

As I said, I have come to such conclusion from reading the remarks of the Prime Minister in 1951, when he was speaking to the resolution. Let me quote briefly from his remarks as they appear at page 613 of *Hansard* for February 23, 1951:

> The greatly increased defence program not only calls for greater purchases, but, what is more important—

And this was in 1951.

> —requires some direction of the production program in such fields as production, aircraft, shipbuilding, vehicles, armament and ammunition. The present high level of demand for practically all major commodities has already made it necessary for the government to take a certain measure of direction and control or allocation of such an essential material as steel, for instance.

Those are not very strong words, but from them one can gather that there was good cause for setting up the Department of Defence Production and giving it some powers of control and direction. Those words were spoken at a time when it was believed that such action was necessary, and at a time when it was necessary that there be some direction of the production program. It was a reasonable conclusion that there should be a separate department to look after the procurement of supplies which were then so urgently needed. There was no question about fixing the minister's salary. He was to be paid the same as other ministers, but then follow these words, and they are significant:

> The present high level of demand for practically all major commodities has already made it necessary for the government to take a certain measure of direction and control or allocation of such an essential material as steel, for instance.

That was in 1951; and hon. members will recall, some better than I do, that that was quite a different situation from what we have today. Even then the Prime Minister did not use very strong words. Even when we passed the act we put a time limit on it. I do not think hon. members can say that today conditions are similar to what they were in 1951. Today many industries are running on part time. There is a surplus of goods and commodities. Thousands of men have been put out of work because industry has not been able to give them employment. As a result, industry is anxious to get orders.

If that is not so we have not been told by the minister or by any member of the government today that the facts are different from what we read in newspapers and what we hear around us. Even the aircraft industry, which is one of the essential industries in our defence program, is not operating at full capacity; nor are the shipyards to which the hon. member for St. Paul's (Mr. Michener) referred. I am not going to say anything more about it. As I see it, conditions are not the same at all. I cannot help but feel that industry would be very glad to do business with the government, glad to get orders for defence contracts, and there is certainly no evidence to the contrary.

Compare that with conditions in 1951, when this country was engaged in a hot war, when the people had ample money with which to buy goods, when the civilian population acquired a lot of goods. I can understand that the government might have difficulty in obtaining the supplies they wanted under those conditions. I can understand why the minister required those powers at that time. But when we come to consider putting this type of legislation in a permanent form so it becomes the basic law of our land, and when we consider and boast about freedom and democracy, it seems to me we are inconsistent, and we shall be looked upon by other countries as being inconsistent. We brag about how much freedom we have, and then we pass such a law as this and make it permanent on the statute books.

The Prime Minister indicated at the time that since the present Minister of Trade and Commerce had been carrying on throughout the war and had great experience in handling defence supplies, he had been asked to draw up or frame the act, and he was the one who would be responsible for it. While at that time he did not say the minister would be in charge of the department, I gather it was understood that would be so. Therefore the act was drafted by the minister or at least it was under his guiding hand, as he wished it to be, since he was the minister who was going to administer the act. No doubt he was pretty sure of that.

From his point of view I do not blame him much for wanting to get all the punch into it that he could. With his experience in business he felt that he could get things done as and when he wanted them done. Because of his experience he would know where to draw the line. I have no hesitation in saying that he put every bit of power into the act that he could possibly get into it. He knew that he had to organize and control the products and materials in a period when civilians were clamouring for many of the same materials. Because the economy was strong and purchasing power was high it was

natural that he should obtain such broad powers, since he had a job to do and was responsible for doing it. I can understand that. As far as I can learn no one seriously quarrelled with his motive.

However, at the same time he realized that such laws should not be made permanent, and I assume he set the time limit. He was responsible for drawing up the act and he realized that it was giving one minister great powers. The present minister had no assurance that he was to remain in charge of this department as long as it lasted. Therefore, since he realized the danger, he himself recommended and put a time limit on it. In my opinion, and from the experience of the last four years, I believe the time limit was sufficient to bridge the gap in the emergency.

There certainly is no evidence, and no information has been given to the house, as far as I know, that convinces me that section 41 should be repealed. If it is repealed it will have the effect of placing on the statute books of this country a bundle of laws. It seems to me that we are being handed a bundle of laws in the same way that you would be handed a bundle of kindling wood. There is some good and some bad. I do not think that is a good way to present legislation to any parliament, without considering too much its effects. That is the way it seems to me. It is giving us a bundle of laws, part of which is good and part of which, in its administration, could be most vicious.

When I say that I am not thinking of the present parliament; I am not thinking of the next five, ten or fifteen years. I am thinking of the law that is being written into the statute books and that is going to remain there. Once it gets there it is going to be difficult to get it off. It could be used for the following purposes: for the control of the complete economy of this country; to destroy business; to kill private enterprise; to make inoperative provincial and municipal laws and regulations; to make ineffective contracts between labour unions and management; and, worst of all, as an efficient political machine to ruin our free and democratic methods of choosing a parliament.

No doubt hon. members will say that I am taking this too seriously. They may say that such things cannot possibly happen here. I hope they are right and that I am too pessimistic. I have not said these things are likely to happen, but I say they could happen under powers like this granted in peacetime. Once this bill passes and becomes law there is a vehicle waiting, ready to be put into action any time hereafter.

[Mr. Montgomery.]

I do not believe the members of this government or their supporters have really stopped to realize what would result from such legislation. I am not at all surprised that hon. members who believe in the socialist doctrine welcome this type of legislation, because as far as I can learn from listening to their speeches they believe in a fully controlled economy. I do not question the sincerity of any hon. member sitting in this chamber, nevertheless socialism in action can be dangerous. Socialism in action has been compared to a car going down a mountain.

The Acting Speaker (Mr. Applewhaite): I hesitate to interrupt an hon. member in the middle of an argument, but I can see again the danger, with which we were faced on a similar occasion not so long ago, of this debate on the advisability of adopting certain amendments to the Defence Production Act becoming a debate on the merits or the demerits of socialism. I would ask the hon. member to co-operate by holding his remarks as closely as possible to the bill we are discussing.

Mr. Drew: Mr. Speaker, I submit that it is proper, because this in fact is socialism. I think it should be open to us to discuss it from that point of view.

Mr. Harkness: On a point of order, we have heard a great deal during this debate from members of the C.C.F. and also from the hon. member for Rosthern on the values of socialism, and I think it should be open to hon. members of this party to refute those claims.

The Acting Speaker (Mr. Applewhaite): All I have done at the moment is to ask the hon. member to co-operate by making his remarks pertinent to the bill we are considering, and I have the right to insist on that. I do not propose to permit an abstract debate on the merits or demerits of socialism at this time. I do not believe it is within the rules of the house that the debate should be allowed to stray that far afield. I have not at the moment ruled any hon. member out of order, but I have requested the co-operation of the hon. member who has the floor so that we may not find ourselves in difficulties which might be the cause for a more drastic intervention.

Mr. Montgomery: I shall try to co-operate, and possibly I should not continue from where I had reached; I shall leave that out. This legislation seems to me to point to full control of our economy, to what in other words would be state control. We have seen examples of where state control can place dangerous governments. I would hate to think that we were parties to placing legislation on our statute books which could be used to bring about such conditions in this country.

I think the minister realized this to some extent when he was moving the second reading of the bill on March 2, 1951, because he is reported at page 836 of *Hansard* of that day as having said:

> It is proposed that the act would expire on July 31, 1956.

I believe this has been quoted before.

Mr. Howe (Port Arthur): Mr. Speaker, on a point of order, how many times does the same paragraph have to be read in order to constitute repetition? I have kept track, and this is the eleventh time in this debate.

Mr. Montgomery: I will not quote it if that will make the minister feel any better.

Mr. Dickey: Read it; it will take up some time.

An hon. Member: Time killing.

Mr. Howe (Port Arthur): We will forgive the hon. member if he is three minutes short.

Mr. Montgomery: Sometimes I have to talk a little longer in order to get my ideas over, and I hope hon. members will forgive me. That particular passage has been quoted so many times that I think every hon. member knows, and I think the minister knows, that when he introduced this legislation the minister made it quite clear that there was a good reason for not making it permanent. That is the principle behind this, that these powers should not be made permanent.

What has happened? That question has been asked before, but it comes to my mind again. What has happened that has changed the minds of the minister and the government? If there are reasons and they are stated clearly, as the Prime Minister stated the reasons for maintaining the department, perhaps we could be convinced. At least if there are good reasons for keeping and extending these powers at the present time I certainly could go along with that. But what bothers me is that we are handed a bundle of legislation. How are you going to distinguish it? Some of it you are quite happy with and some of it you are most unhappy with. Is it being put up to us this way so that if we vote against it we have to vote against it all, or vote for it all?

Mr. Howe (Port Arthur): It does not matter.

Mr. Montgomery: There is only one thing I can say; it is disappointing to me. I will have to choose the least serious of two courses and vote against it. This matter has been discussed before, and the minister came back with this bill without any amendments. If I should vote for this in the hope that we would get amendments afterward I am afraid I would be left holding the bag, so to speak. We certainly would be disappointed. I think the only honest thing a person can do will be to vote against it. The only thing I can do is vote against this, at the same time feeling that the minister will get what he wants. I want to help the minister to carry out his work, but I have to vote against this bill to express my opposition to the other part of the act in which I cannot concur.

I do not think there is much more I can think of right now. It has been said this afternoon that this legislation is to control profits. Several excuses were given by the hon. member for Rosthern, that would lead me to think they have a different viewpoint on this from mine. As I see these powers, they are purely to give the minister the power to make industries do what he wants done when they refuse to co-operate. But so far I have not heard any evidence, nor have we been given any information, that in the last few years any industry has refused to co-operate with the Department of Defence Production. If we were given reasons and asked to support an extension for the time being that would be a far different thing from asking us just to repeal section 41 and make the whole parcel the permanent law of the land. I think, in all fairness, that we deserve either a full explanation—

Mr. Fleming: From the Prime Minister.

Mr. Montgomery: —from the Prime Minister or from the minister whose responsibility it is to operate this department. The main thing is a question of principle. I gather from what the minister has said that he feels the time will come when the government may dissolve the whole thing but, after all, once this gets on the statute books permanently, is it not dangerous?

Unlike some other hon. members, I have not been here very long. I am not worrying in the least about the present minister getting along with or without these powers. I am satisfied that the present Minister of Defence Production can get along very well without these powers. I would not worry about procurement for our defence program, as long as the present minister is in charge of it, if there were none of these powers. What bothers me is that he wants to lead us to believe that he has to have these powers in order to do this job. I do not believe that. He can do it without these powers. He has been doing it for all these years. He had educated industry in this country so well that they are anxious to do business with him. Our program of continuing defence is not the emergency it was in 1951. Our

program is, I venture to say, proceeding according to plan and as fast as possible.

This act still has another year to go. I should like to see what the hon. member for Calgary North suggested, this bill withdrawn and a new bill brought back next year if it is necessary to have some powers. The bill could be drawn in two parts, so that an assurance would be given to the personnel of the Department of Defence Production that they are not going to be thrown out in one or two years. In the other part of the bill the powers could be limited; and when the time runs out, whatever minister is in charge of this department could come before parliament, and I do not think he would have to worry about having those powers granted, if they were needed. All he would have to do would be to show this house that they were needed.

I think that has been borne out in the last seven or eight years. Whenever the government come to parliament and ask for money for defence or something of that nature, they get it. That is good evidence that there is confidence in the minister who is running the department. But where we have no confidence is in the fact that the next minister who is operating under this law may not operate as well in using these powers. That is the principle involved.

Hon. members should give a little serious thought to this matter. This is not an emergency, and I do not think anything would happen if this act did not pass this year. I am satisfied that the officials of the Department of Justice and the minister's assistants can draft an act that will be acceptable, that will not be dangerous and that will protect the personnel of the Department of Defence Production.

After all, I am satisfied that that is what this legislation is for, more than anything else; because in explaining it the Prime Minister spent more time on that and gave a full explanation, because it was a sound ground. I do not consider that the explanations or the grounds are sound upon which we have been asked to repeal section 41 of this act. In all sincerity I do not see how I could support this bill, although there are some things about it which I can support.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, in the past two days I have listened with a great deal of interest to the debate on second reading of this bill. I hope I shall not be charged with political heresy for what I am going to say, but after listening to all the debate and especially the remarks made by the hon. members who are a part of Her Majesty's loyal opposition, I feel it is time this was said. We are all elected here as members of parliament, but we are the representatives of parties. That is according to our custom and perhaps as it should be. Having been elected here to the House of Commons, although we are members of certain parties which stand by certain principles and philosophies and programs, we in this house as members have responsibilities which are somewhat changed upon election.

I believe it is absolutely wrong and not in the interests of parliamentary democracy if a party which has the control of government completely ignores all suggestions and recommendations from the parties in opposition, just because the parties are in opposition. On the same basis, it is absolutely wrong for members of the House of Commons in opposition to oppose anything introduced by the government just because it comes from the government and we are in the opposition. It is because of that feeling that I said I hoped I would not be charged with political heresy. I think it is wrong for the government to ignore all suggestions that come from the opposition, and I also think it is definitely wrong for the opposition in any or all parties to oppose a measure just because it is introduced by the government.

After listening to this discussion which has taken place over the past two days, and in particular what has been said by the members of Her Majesty's loyal opposition on my right, I am afraid they are opposing this measure for one reason only, namely that it is a measure introduced by the government.

Mr. Churchill: Nonsense.

Mr. Winch: My friend here says "nuts".

Mr. Churchill: Mr. Speaker, may I rise on a point of order. I said "nonsense".

Mr. Winch: That is my impression. That is my opinion. I say it does not make for a good parliament for members to oppose measures just because they are in the opposition.

In my brief time here in Ottawa I have at times thought the Minister of Defence Production, especially as Minister of Trade and Commerce, was wrong in some of his policies and in some of his decisions. Once in a while I think he is wrong in his decisions as Minister of Defence Production. But, Mr. Speaker, I have no hesitation at all, standing in my place here in the opposition, in saying that if this group, the C.C.F., were over there on the opposite side on the government benches, and if in an emergency a job had to be done and red tape had to be ignored, if I had anything to say—and I do not mind saying this—I would ask a man by the name

of C. D. Howe to go ahead and do it. His record has shown that he can get things done in an emergency. I am proud to stand before this House of Commons and say that, even although I disagree with him on politics and very often on his policies.

What is the situation with which we are now faced in connection with this bill? There are only two sections to it. As to the first one, everyone says there is no opposition regarding the salary of the Minister of Defence Production. There is only one other section, and it relates to whether or not there shall be a limit on the time the act is in force. The amendment says it is now to be perpetual. Yet, Mr. Speaker, have you noticed that in two days of debate the discussion has been on the powers in that act, which powers have been in effect and have been law for a good many years in the Dominion of Canada.

Mr. Trainor: Five, to be exact.

Mr. Winch: My hon. friend says, "Five, to be exact".

An hon. Member: Four.

Mr. Winch: Four years or five years. The Conservatives change their minds all the time. However, it has been the law. The powers have been there over this period of years. The only question arising now is this. Shall they continue and be reviewed?

As I said, I have been listening most carefully to all the discussion that has taken place for two days. Most of all I have been interested in what my friends in Her Majesty's loyal opposition have had to say on this matter. I am convinced, Mr. Speaker—and I am going to express this only as an opinion, because otherwise I would be out of order—that they are putting up a sham battle and beclouding the issue because they are the official opposition and feel obliged to oppose anything brought in by the government.

That is a principle with which I as a member of the opposition do not agree. If the government brings in something that is good, I am going to support it. If I think it needs amending, I am going to try to amend it. If it should be opposed, I am going to oppose it. If the precedent is good, support it. If it is bad, then wipe it out. If a new precedent is required, then let us bring it in.

At this session we have heard a great deal about the serious world situation. We all hope for peace. We all want it. We will all work for it. However, things happen speedily in this modern age. We are now spending on defence 47 per cent of the entire revenue of the federal government. At the beginning of the last war it was made clear that private enterprise companies in Canada had no patriotism with regard to Canada, that they had patriotism only with regard to their own dividends. That fact was made clear in a speech made here this afternoon. It was made clear in a speech made by the minister in 1940, or was it in 1941? Because of experience, and because the minister desires to have protection for Canada and to be able to move speedily in the interests of Canada, he requires a continuation of these powers.

The hon. member for Victoria-Carleton (Mr. Montgomery), who spoke just before I rose, was talking about socialistic powers and said that a continuation of the act was socialism. Socialism introduced by whom? The bill was introduced by the Prime Minister of Canada, who I do not think is a socialist. Second reading was moved by whom? By the Minister of Defence Production, who is not, I am certain, a socialist. I know these men are not socialists. Yet from their knowledge that private enterprise in Canada, even in an emergency of war, will put their profits before the interests of Canada, they feel that they need these powers in order to ensure that in the event of another emergency the minister in charge of defence production will have the power to control industry on behalf of the Canadian people.

Mr. Fleming: Six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Winch: At six o'clock, Mr. Speaker, I was at the point of concluding my remarks on second reading of the bill which is now before us. Although there has been a two-hour intermission, I have not used that time for the purpose of adding to my remarks. I was at the point of closing at six o'clock, and I am only going to add exactly what I was going to say if I had had the time prior to six o'clock.

First of all I should like to reiterate my opening remarks. I would say that those on the government side should not oppose all suggestions from the opposition merely because they come from the opposition. Secondly, I would say that members on the opposition side, irrespective of party, should not oppose any government measure or principle merely because it comes from the government. I feel that this is the essence of good government and a good parliament.

I feel very strongly, sir, as I have already outlined, that the opposition to the bill itself, as presented by the various members, has not been on the basis of fact or on the basis of principle, but on the basis that because it is a government measure it must be opposed if you sit in the opposition. So far as I am concerned, and I know I am safe in saying that so far as our C.C.F. group is concerned, I approach this bill from the point of view of the facts and the necessity for it. We in this group believe that the direction and control of our entire Canadian economy, at a time when almost half of our federal revenue is required to be allocated to the defence department, should be in the hands of the elected representatives, that is parliament. If parliament is not meeting, then it should be under the control of the elected representatives as represented by the cabinet and, under this bill, as represented by the Minister of Defence Production.

I fail completely to understand the arguments that have been presented by the members of Her Majesty's loyal opposition. The bill does not deal with powers, it only deals with time. They ask for a review. In the intermission since six o'clock I have gone over the act again. According to my understanding the Minister of Defence Production has to make an annual report to this parliament, and the public accounts are open to all members of this house. In addition, all estimates have to come before our parliament. At that time any queries can be put to the minister.

Under these circumstances, sir, when the Minister of Defence Production has to report annually; when the public accounts have to be filed annually; when the estimates can be examined annually in the house, and when nearly one-half of the entire federal revenue has to be allocated to the departments of national defence and defence production, then in my opinion there is still a state of emergency. That being so, and because the present minister in the first year of the last world war had to report that Canada was being sabotaged by private enterprise companies because they placed their profits before their patriotism, I say any understanding, patriotic Canadian has no other choice but to do what I am going to do, support the second reading of this bill.

Mr. E. G. Hansell (Macleod): It is not very often, Mr. Speaker, I take the opportunity of congratulating my very good friends who sit immediately to my right. They are my very good friends. In fact I always regard the hon. member for Cape Breton South as a bit of a chum. I must congratulate them on doing something I have been trying to do throughout the country for a long, long time. I have been trying to drive my socialist friends and my Liberal friends together. I feel that they have accomplished more in this debate than I have been able to accomplish for quite some time out in the country because—

Mr. Winch: I would rather join the Liberals than the Conservatives.

Mr. Hansell: —they are supporting this measure which, in principle, is a measure for the concentration of power, not only in the hands of a government but in the hands of one man. I have found in my reading and in my appraisal of socialism, and the moves that are made from time to time by my socialist friends, that they can always be depended upon to come to the defence of any measure that concentrates power in government hands.

Mr. Gillis: In the public interest.

Mr. Hansell: As a matter of fact, it is amazing to me that even my Liberal friends, as a party, should be so pleased with the support the socialists have given them in this debate. They seem to be extremely happy. They laugh at certain digs the C.C.F. give to those who are opposing the measure. You would think they were bosom friends.

I congratulate my socialist friends on something else. They have been more powerful in their speeches in support of this bill than have members on the government side of the house. But even though that is so, it seems to me there is something screwy in the discussion of this measure thus far, something that seems inconsistent. Here we have a measure which gives permanency to the Defence Production Act. Not only does it do that, but it gives permanency to the extraordinary powers given to the minister. That is one thing we in this corner of the house are concerned about.

We are in favour of a department of defence production. We believe that at the present time, when conditions are complex and perhaps dangerous, the minister should have those powers. My leader, the hon. member for Peace River, has already said that. The hon. member for Okanagan-Revelstoke (Mr. McLeod) has said the same thing, as has also the hon. member for Wetaskiwin (Mr. Thomas), and I am saying it now. But we are not in favour of a bill that gives the minister this power forever and ever.

I have said there was something inconsistent in what some speakers in this debate have said. I would refer again to my socialist friends, who over the years have described themselves as great peacemakers, as those who are always holding out great hope for peace. Their attitude has been that

you can save the day by negotiation. Yet in this measure they support the government in setting up the Department of Defence Production forever and ever, and giving the minister exceptional powers under the act to decide things for himself for the same length of time. Well, if there is such great hope for peace, and we all want it, one would not think the minister would need these exceptional powers forever.

How my C.C.F. friends weep and cry when the H-bomb or some other bomb or some new nuclear weapon is tested somewhere out in the Pacific. Oh, they are so alarmed. "Why is all this taking place?" Yet what they are voting for in this instance is to give the minister all the power he needs. Yes; if we happened to be manufacturing or finalizing these nuclear weapons the minister could go out into the middle of the Pacific ocean and bang them off or explode them. He would have power to do that under the act. And they are quite willing to support him, by accepting this measure.

Only a few weeks ago we were discussing the entry of West Germany into NATO. What was the purpose? The purpose was to make it possible for them to fight the aggressor with us, side by side. But the socialists split on that. "No, no; we cannot permit Germany to rearm even though they are rearming to fight by our side". But they are content to give the minister all these powers in the Department of Defence Production, so that we may continue producing the most deadly weapons it is possible to produce. It just does not add up, so far as I am concerned. It does not make sense; it is not logical; it is inconsistent.

If the government wants to have this department set up forever, if they want the minister to have these powers forever, then do they expect that war is inevitable? I do not know the answer, I do not know what their attitude is; but I do know that the other day a very high-ranking officer was fired because he spoke out of turn. And what was one of the things he said? While he may not have used these exact words, he indicated in what he said that war was coming, that it was inevitable.

I am not going to criticize the government for the position it has taken in reprimanding that gentleman for making a pronouncement of government policy. I stand with the leader of this group when he says that government policy should be announced by the government, and only by the government. And I stand with the Leader of the Opposition when he says that on major policy it should be announced in this House of Commons. Nevertheless there is an important factor in this matter. I am not so much concerned with whether that high official spoke out of turn as I am—

Mr. Speaker: Order. May I ask the hon. member not to continue discussing the matter to which he is now referring, unless it has some direct bearing on the legislation before the house. He can realize the kind of argument we could have on that particular subject.

Mr. Hansell: Yes; I realize, Mr. Speaker, that you may have been somewhat concerned lest I should go too far afield. However, I was only going to say that I am concerned as to the truth of the statement more than with what action the government took in the matter. Is it true that war is inevitable? If it is, then of course we must have a department of defence production. If war is coming, then we must give the minister certain powers in serious times to mobilize the productive capacity of the country and produce those goods which are necessary for war.

But if that is so, then the government cannot have it both ways. It cannot say there is going to be peace, and at the same time prepare for war. I do not think anyone will disagree with that statement. When the minister, with his powers over defence production, mobilizes the productive capacity of the country to manufacture war supplies, why is he doing it? Why do we make bombers, if they are not to fly? Why do we make bristling atomic guns, if they are not to be fired? Why do we make any nuclear weapons if they are not to be used? Why do we spend $3 billion a year on arms if they are not to be used? I should like to ask that question. Someone says, for safety. Well, I know that argument has been made over and over again, that we can negotiate by reason of our strength. It is a pleasant argument, but what does it really mean? It really means that if we are strong we can scare the enemy. Well, now, who is kidding who in this thing?

Mr. Knowles: Whom.

Mr. Hansell: Whom. War weapons are manufactured to be used, and certainly we are not kidding the enemy. We are not scaring the enemy as we negotiate, because up to now in their negotiations they have not shown one tiny thread of nervousness. As a matter of fact I am inclined to think that we are the boys who are nervous; for in all our negotiating from the standpoint of strength we have lost, for the most part.

We are opposed to this measure, Mr. Speaker. I am not saying we are opposed to the entire bill, particularly in respect to

the continuation of the Defence Production Act. My leader has already stated that we are in favour of that. We are opposed to the concentration of power in the hands of one man. We are opposed to that not because we believe that the present incumbent of this office would use the power unwisely. We certainly do not believe that, because we have a great deal of respect for the minister. We are not opposed to the bill for that reason; we are opposed to the principle, and that principle is embedded in our Social Credit philosophy. We are opposed to the centralization of power because it is a negation of democracy. We are therefore opposed to this measure which gives the minister these powers in perpetuity.

We have been accused over and over again of holding to a philosophy of dictatorship. Just before the last election an article was published in *Liberty* magazine, written by Leslie Roberts. It did not bother us to any extent, but it was read by a great many people. The pictures were there. What were the pictures? They were not pictures of the Social Crediters; they were pictures of German troops marching the goose step. They were depicting that as what the Social Crediters would do. The article tried to indicate that we believed in the centralization of control; that we believed in dictatorship. Well, this is one time when we are opposing a measure that puts the power of dictatorship into the hands not only of the government, but of one man.

When he spoke on behalf of his party the other night the hon. member for Winnipeg North Centre tried to indicate that it was all right to give the minister these powers because, after all, he has to come back to parliament whenever he needs another $2 or $3 billion. When my leader spoke the other night the hon. member interjected and asked how many of the estimates were statutory. Well, it is true that only one item is statutory.

Of course we can always oppose the minister when his estimates are before the house. That is a pleasant story to tell. It is pleasant to talk that way. I know we can talk when the estimates are before the house, but I should like the hon. member for Winnipeg North Centre to tell me when any discussions on the estimates have been effective in reducing an item by $1, let alone reducing them to $1. It has never happened. It is technically true that the money has to be appropriated by parliament. The same thing that happens on estimates happens on a great many other parliamentary matters, such as legislation. If the minister wants it his party will back him up; and while we can talk about it and use this chamber as a sort of sounding board, the minister will get the money and will continue to operate with dictatorial powers.

My colleague, the hon. member for Okanagan-Revelstoke, pointed out to me this morning one section of the original act that we are amending. It is section 27 (2), which reads:

> Where a controller has been appointed to carry on a business or a part thereof, he shall be deemed to be the agent of the owner thereof for the purpose of carrying on the business or that part thereof—

I suppose an agent of an owner is an agent who represents the owner and does what the owner wants him to do or tells him to do. I continue:

> —except that the owner shall not have any right to control the business or that part thereof and the controller may, subject to any instructions of the minister, do all such things as he thinks fit for the purpose of carrying on the business or that part thereof.

If that is not expropriation in principle I do not know what it is. The minister has power from now to eternity to appoint a controller over any business and say "the controller is there with absolute power". The business may belong to someone else, but the owner has no right whatsoever to interfere in any way with the operation of his own business. I say in principle that is expropriation without paying for it.

Mr. Howe (Port Arthur): Oh, you pay for it. The owner has recourse to the courts.

Mr. Hansell: I do not see anything here about paying for it. The minister does not need that in this act anyway, because he can do that. Governments have that right today by the use of proper processes.

Mr. Howe (Port Arthur): Surely; that is what we are saying.

Mr. Hansell: But what this act amounts to is this. A person has a business. The government, because of powers given to one man, can take over that business.

Mr. Howe (Port Arthur): And pay for it.

Mr. Hansell: That may be so.

Mr. Knowles: Perhaps the hon. member's argument has been shot.

Mr. Hansell: My argument as to expropriation has not been shot; that is one thing that has not been shot, because all governments have it. Why put it in here; why put it in the hands of one man? That is what we in this group are opposed to.

Mr. Howe (Port Arthur): Even the Social Credit government of Alberta has it, and it is administered by one man.

Mr. Hansell: I know they have that right as a government, and so has this government without this act at all.

An hon. Member: They are just spelling it out.

Mr. Hansell: It is being spelled out and put in the hands of one man forever. That is what it is doing.

Mr. Knowles: Who is the hon. member talking about, Methuselah?

An hon. Member: That is eternal life.

Mr. Hansell: It may be eternal life as far as the minister is concerned, because I cannot guarantee what is going to happen to him when he gets to the golden gates.

Mr. Knowles: Perhaps he will expropriate the gates.

Mr. Hansell: I do not know that he would. When he faces those golden gates I know he will look at them and ask if there is a defence production act up there under which he could expropriate them. I am sure there will not be, because I made up my mind a long time ago that there is no socialism in heaven. I do not cast any disrespect upon my friends; there are socialists in heaven, but no socialism.

An hon. Member: Social Crediters but no Social Credit.

Mr. Hansell: I believe some of my good friends may get in by the skin of their teeth.

Much has been said during this debate about the minister having these powers to protect the taxpayer against unscrupulous big business. No person in this house, no party in this house is going to countenance the unscrupulous actions of big business, or even little business, but this act is not designed to protect the taxpayer. Let us not kid ourselves about that.

Mr. Howe (Port Arthur): May I interrupt the hon. member? There is a renegotiation clause in that act which netted the taxpayer over $600 million after the last war. I suppose the hon. member would want that eliminated?

Mr. Hansell: No, I do not want that eliminated; it is quite all right to have that in the act. But the argument is made that the purpose of this act is to protect the taxpayer from unscrupulous big business, as though they could not be protected without putting unlimited powers in the hands of one man. That is the thing we are getting at.

Mr. Howe (Port Arthur): How do you work that out?

Mr. Hansell: That is what we are opposed to.

Mr. Knowles: You had better try A plus B.

Mr. Hansell: My hon. friend talked about the people being exploited. This act is not designed to prevent the exploitation of the people; this act is designed to more effectively mobilize the productive energies of this country for defence purposes. That is the purpose of the act.

An hon. Member: Defence of whom?

Mr. Hansell: Let us not be pulling red herrings over the pathway. That is the purpose of the act, and we support the purpose of the act.

Mr. McIlraith: Then vote for it.

Mr. Hansell: We are not voting for the bill because, as my leader said the other day, it has a most iniquitous clause which gives the minister all these powers forever, by the repealing of section 41.

If the minister wants these powers for another couple of years we are quite willing to give them to him. That is all right; that is reasonable, because the way things look now the complexity of the times will perhaps last that long. If in a couple of years times have not changed we would be quite willing to extend the powers for another couple of years. There is nothing wrong with that. But that is not what the minister is asking us to do. He is asking us to take out of the bill a section which would permit this matter to come before parliament in that way every so often. The powers are to be given to him for eternity, until the act is repealed.

There is another thing I cannot quite understand, and that is why the minister needs these powers for all time. I cannot understand why he would not be satisfied to have them for two or three years at a time, and have the matter brought before parliament periodically so the powers could be renewed. I do not see why that would not be satisfactory to him. If he is willing to do that he will receive the support of this group, but he is not willing to do that. Why is he asking for the repeal of this section? There must be some other reason. I do not know what the other reason is, and any argument as to that would be only a guess, as there could be a variety of reasons.

The minister is not going to be here forever. The saying is going around that he may retire. I do not know, as that is his business.

Mr. Howe (Port Arthur): May I ask my hon. friend a question? Does he contemplate that this government will go on forever?

That seems to be the basis of the argument of all the other parties in the house.

Mr. Hansell: I do not contemplate that this government is going on forever. As a matter of fact, if I did contemplate that it would mean I would be banging my head against a brick wall because—

Mr. Knowles: You are.

Mr. Hansell: —I am out to defeat this government.

An hon. Member: That is the brick wall.

Mr. Hansell: I am pleased to say that here and there we are meeting with some reasonable and satisfactory success, but that is not the point. The point is that the minister is asking for these powers forever. The minister may not be here in a few years' time; I do not know.

Mr. Murphy (Lambton West): Whom are you going to ask?

Mr. Hansell: Somebody will be succeeding the minister and that is what I had in mind in objecting to these wide powers being granted. I think we will all agree that the minister has done a good job.

Mr. Murphy (Lambton West): Don't speak for all of us.

Mr. Hansell: He did a good job during the war and he is doing a good job now. We are not talking against the minister and his efficiency when we oppose this measure, not by any means. Writing this into the bill means that these powers will go to his successor, and we do not know who that will be. It may be someone completely unable to perform the same functions as the minister, but he will have these powers just the same. I do not know, but it could be that business generally in this country has some confidence in the minister. I hope it has. But there is no reason to say that business will have the same confidence in his successor.

Mr. Ellis: I thought you were arguing on the basis of principle.

Mr. Hansell: Therefore we are saying that the concentration of power in the hands of one man, written into the act in perpetuity, is a wrong and evil thing. We are opposed to the bill now presented to us because it calls for the deletion of section 41, which would bring this act before parliament in a year's time. As my leader said, we are prepared to give the minister the powers at present. We are willing to vote for the bill if section 41 is not repealed, but we are not willing to vote for this package bill which gives the minister these powers forever.

[Mr. Howe (Port Arthur).]

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I find it remarkable that we should be having this extended discussion on this subject tonight in the Canadian House of Commons. As I read the act under discussion tonight, one part of that piece of legislation is designed to perpetuate wartime powers in peacetime. As I have listened to the remarks of hon. members on this matter, the only complaint they have raised concerning the legislation is on the part of the act which is designed to perpetuate these unlimited powers that have grown up during wartime emergencies, particularly during the emergency of world war II and the recent Korean crisis.

I say it is remarkable that we should have to take time to re-emphasize this point, because in a free parliament in Canada the dangers involved should be obvious. One good result emerging from the extended discussion is that it reveals the state of mind and soul of the Liberal majority, and reveals in particular the degree to which the doctrine of statism has crept into that party. We have listened to many members of the opposition make their contribution. We have heard very few representatives of the government in this discussion. In most cases the spokesmen on behalf of the government have tended to minimize the dangers that have been raised by members of the opposition, and actually we have had very few serious contributions to the discussion from that side of the house.

Mr. Murphy (Lambton West): What would you expect?

Mr. Dinsdale: It is bad enough, of course, Mr. Speaker, when we have government supporters ignoring the complaints, the accusations and the criticisms that are being levelled at certain aspects of this measure by members of the opposition, but it is infinitely worse when the same criticisms are ignored by the leaders of that group. I hope we might hear from the Prime Minister himself before this debate concludes, because the legislation stands in his name. I hope to demonstrate in the contribution I shall make to this discussion that the matter is of such importance that it demands a statement and an explanation from the right hon. Prime Minister.

Mr. Speaker: May I interrupt the hon. member? I have been glancing through the debate right from the beginning. As I had occasion to say previously—see *Debates*, May 24, 1955, pages 4063-5—whenever debates are extended over a long period we come to a point when arguments are often being repeated. Just as the hon. member is embarking upon the

point that the Prime Minister, whose name appears on the order paper, as the mover of this bill, should be here and address the house on this bill, I want to remind him with all deference that the hon. member for Eglinton (Mr. Fleming), at page 4513 of *Hansard*, expressed a similar contention; the hon. member for Dufferin-Simcoe (Mr. Rowe), at page 4540, made the same point; the hon. member for Prince Albert (Mr. Diefenbaker), when he made his remarks last evening, began by his appeal to the Prime Minister to address the house on this bill; the hon. member for Peace River (Mr. Low), at page 4539, did the same thing. That is the list only of those members whose speeches I have read so far.

I would ask the hon. member to refrain from repeating. It may be that he has a totally different argument from all those we have heard so far, but it is my duty to remind the hon. member and others who may follow him in this debate that there is a standing order, standing order 40, subsection 2, which forbids repetition either of one's own arguments or arguments used by others in the same debate. Having said that, I shall ask the hon. member to bear these remarks in mind.

Mr. Fleming: Mr. Speaker—

Mr. Dickey: Not the same speech all over again.

Mr. Fleming: I take it that it is a point of order you have referred to. May I respectfully submit to you that standing order 40 (2) contemplates that there should not be undue repetition of an argument. But the hon. member for Brandon-Souris (Mr. Dinsdale) and the hon. members who have participated earlier in this debate, to whose remarks you have made reference, are making an appeal and a demand. It is not a matter of repeating an argument; it is a matter of making an appeal and a demand that the Prime Minister, in whose name this resolution stands, should come to the house and give his reasons for it. With great respect, in my submission to you there is nothing in standing order 40 (2) that this type of appeal and demand offends.

Mr. Howe (Port Arthur): Another 101-minute speech.

Mr. Fleming: It is a matter of repeating an appeal and a demand.

Mr. Speaker: No matter how you put it, it is repetition. The hon. member for Eglinton, in making the appeal, advanced certain reasons for doing so. All the other members to whose remarks I have referred have done likewise. This is exactly what the hon. member for Brandon-Souris has just announced. He says he is making an appeal, and he is going to give the reasons for it. After we have had the appeal and the reasons the appeal was made exposed by five members already, it is a question of judgment.

As I had occasion to say earlier, it is difficult to administer this rule, but the hon. gentleman himself, if he reflects on the wording of it, will probably ask himself, as I do, at what point does the repetition become repetitive and tedious so that it constitutes the next step, which is persistence in repetition. Then, if that obtains, the next step is so grave that I may direct the hon. member to discontinue his speech; and if then the member still continues to speak, I have the power to name him. So repetition of one's own arguments or arguments used by others in debate is a very serious matter.

At this moment, having asked the hon. member to keep in mind what I have indicated to him, I am satisfied he will continue his speech without repeating the arguments made by others. I am not making a ruling at this moment. I am merely asking the hon. member's co-operation with respect to the situation I have indicated. I shall follow the debate very closely from now to the end, and if there is no other cause for me to rise I shall be glad to remain seated and listen to the other speeches that are made.

Mr. Knowles: If Your Honour has occasion to cite standing order 40, paragraph 2, again, would you let us know whether there are any precedents for ruling that repetition refers to repetition of arguments that another member has made? There is nothing to that effect in standing order 40, subsection 2, itself.

Mr. Speaker: No. If the hon. member will look at the report of the committee on procedure in 1927, where to avoid redundance they eliminated those words and just combined the one standing order pertaining to relevancy and the one standing order pertaining to repetition, he will find it shows the words. But in practice the Speakers have always enforced the rule as it was in the text before the article was simplified by the committee on procedure in 1927. See *Journals*, volume LXIV, 1926-7, pages 242-3. See also volume III, *Debates*, 1920, page 2286; and *Debates*, March 10, 1939, page 1782.

Mr. Green: May I suggest to Your Honour that the hon. member for Brandon-Souris is in order in commenting on the fact that the Prime Minister has not taken part in this debate.

Some hon. Members: Order.

Mr. Green: I say that for this reason if for no other. The Prime Minister was in the house this evening for a period, and now he has gone out.

Mr. McIlraith: Just like the Leader of the Opposition.

Mr. Green: He had an opportunity this evening to take part in the debate.

Some hon. Members: Order.

Mr. Speaker: Order. The mere fact that an hon. member does or does not participate in a debate or the fact that he is in the house or goes out of the house is not a matter which should be raised as a point of order. We have the right to speak, but we also have the right to listen in this house. It does not necessarily follow that one must speak. Hon. members are supposed to make their remarks relevant to the principle of this bill. The hon. member for Dufferin-Simcoe not only asked why the Prime Minister did not speak, but mentioned all the ministers who were then present in the house. The hon. member recalls that. If he looks at page 4540 of *Hansard* he will see that appeal was made not only to the Prime Minister but to all the ministers who were then present. The hon. member said:

> I am surprised that the Prime Minister has not been in the house during this debate. I realize his responsibilities are great, but I can think of no greater responsibility after having moved this motion than to be here to safeguard the rights of parliament which, in the years that have passed, have been championed so often by those who sit to your right.

He made a similar appeal elsewhere. As reported at page 4545 he referred to the Minister of Finance (Mr. Harris) and to the Secretary of State for External Affairs (Mr. Pearson), who were then present in the house. Why is there a rule pertaining to repetition if it is not to avoid repetition such as that to which I have just now referred?

As I said, hon. members may look at the pages to which I have referred. I have before me *Hansard* of June 7; that is the day before yesterday. I think the hon. member for Eglinton cannot deny that he made an appeal to the Prime Minister to say something on this matter. He also made a review of the pronouncements of the Prime Minister on a previous occasion when there was discussion of this legislation, when the creation of the department was first proposed to this house.

As I said, if that rule is to mean anything it must be interpreted along the lines I have indicated. Of course, generosity is rather on the side of the member who has the floor because, as I said, it is a rule which it is difficult to administer. I am merely pointing out to the hon. member at the moment that he indicates that he is entering on the same line of argumentation as that which, as I have indicated by quotations from *Hansard*, has been propounded by five members already. I think it is my duty to remind him of the rule and to ask him to be careful in the presentation of his argument.

Mr. Howe (Port Arthur): That rule interferes with the filibuster.

Mr. Speaker: I think I should hear the hon. member for Vancouver-Quadra.

Mr. Green: Surely Your Honour is not ruling that the hon. member cannot comment on the fact that the Prime Minister had not participated in the debate this evening or this afternoon. The comments to which Your Honour referred were made about the failure of the Prime Minister to speak yesterday or on Tuesday evening.

Some hon. Members: Oh, oh.

Mr. Green: Surely, as this debate progresses, an hon. member in the course of his remarks is entitled to comment on the fact that the Prime Minister has not yet taken part in the debate although the motion stands in his name. Surely the hon. member is in order in doing that.

Mr. Studer: What rule stipulates that?

Mr. Green: That is not repetition. It is referring to what is happening at the actual time.

Some hon. Members: Oh, oh.

Mr. Green: It is quite a different thing from repeating arguments. The hon. member is simply commenting that today, Thursday, June 9, the Prime Minister has not yet seen fit to rise in his place and make any speech on the motion for second reading of this bill. I suggest to Your Honour that such comment should not be ruled as repetition.

Mr. Howe (Port Arthur): It is certainly paralysing when you cannot repeat.

Mr. Pouliot: If I may be permitted to do so, Mr. Speaker, I should like to say a few words on the matter raised by some of my hon. colleagues, and in particular by my friend the hon. member for Vancouver-Quadra. For many years I have noticed that the members of the opposition are strong in their advocacy of human rights and fundamental freedoms.

Mr. Knowles: Don't repeat yourself.

Mr. Pouliot: If freedom of speech is acknowledged, and if human rights and fundamental freedoms are to exist, may I say that the right to remain silent is just as sacred as is the right to speak.

An hon. Member: It is a virtue.

Mr. Pouliot: The fact that one prefers to remain silent rather than to speak cannot be held against him, because it would be a good example to all the members of the opposition.

Mr. Nowlan: In that case, Mr. Speaker, I wonder if the hon. member for Temiscouata (Mr. Pouliot) would say that if they remain silent twice, the rule of repetition can be invoked against them. I think there would be that real danger, that you might be accused of repetition if you remained silent too long.

What I am concerned about with regard to this point of order is this. Frankly it intrigues me and bothers me, because I feel that if this ruling is accepted which has been made by Your Honour, with Your Honour's background and wide knowledge of the rules, then I suggest with deference that it is a little bit novel, shall we say, to some of us.

I wonder why there ever was a closure rule in this House of Commons if repetition cannot be indulged in. You do not need a rule concerning closure because you are automatically cut off by your rule against repetition. I am remembering, this rule having come in in 1927, that between 1930 and 1935, on unemployment insurance we had a debate of 48 days. There was no time limit during part of that debate.

What I am wondering is this. Perhaps the members of the House of Commons then were more brilliant in those days than they are today, but I cannot conceive of a situation where somebody did not repeat some argument that someone else had used. I am wondering if the Speaker ruled against them on that score. I am rather intrigued with the question raised by the hon. member for Winnipeg North Centre as to precedents. Surely if my friend the hon. member for Vancouver-Quadra, coming from the west coast, uses an argument in his forcible and dramatic way, which undoubtedly will be much superior to that which I could raise, is Your Honour suggesting that because I come from the east coast I cannot indulge in the same argument, that I would be foreclosed because of repetition? Frankly I think that ruling, if it is as I think Your Honour is trying to state it now, is going much further than it has ever gone before. With deference I suggest that we should question it quite closely.

Mr. McIvor: On the point of order, Mr. Speaker, I would say that I feel even the Prime Minister would admit that it would be difficult to improve on the statement made by the Minister of Defence Production. I should like to hear the hon. member for Brandon-Souris, to see if he has new material, because he has brains.

Mr. Speaker: May I say a word to put at ease the minds of the hon. member for Vancouver-Quadra (Mr. Green) and the hon. member for Digby-Annapolis-Kings (Mr. Nowlan). Whenever the Speaker rises some hon. members seem to think he always makes a ruling. There is a rule, standing order 12, however, that he shall preserve order and decorum. The moment he believes a rule is about to be violated he must warn the hon. member, and that is all I am doing. I feel I have full justification for that, because I have heard hon. members say and have read in *Hansard* during this debate exactly what the hon. member indicated he was about to do, that is to make an appeal to the Prime Minister to speak in this debate. He was going to give reasons for that, and I take it other members have done so.

I believe I have indicated that I base this suggestion on standing order No. 40, subsection 2. I claim that if the mention of repetition in subsection 2 is ever to mean anything or has ever meant anything, it is in a situation such as that which has just arisen. It may be because this rule is difficult to administer that it has not been invoked as often as hon. members perhaps would think in this house. In the United Kingdom, where a rule exactly the same as we have, with the exact wording as we had it prior to 1927, does exist, it is often invoked by the Speaker. See United Kingdom Commons' standing order 20, as it appears in May, fifteenth edition, page 1025. See also United Kingdom debates, 1404-1419, December 3, 1953.

There is also another point which I did not mention, and which the hon. member for Brandon-Souris and others should keep in mind. It is that all government bills could easily be in the name of the Prime Minister, yet it could be one of his colleagues who would move second reading for him. Since relevancy is to obtain in any debate, I would ask hon. members of what use it is to bring that up in the debate and say that a minister should or should not speak instead of the Prime Minister. Hon. members know very well that there are some bills that are introduced by the Prime Minister. This one concerns the extension of a department and it appears in his name, but it does not necessarily follow that the minister in whose name the bill appears is the minister who will have to move the various stages of the bill. Is it relevant to the principle of a bill to make extended remarks on the point that the minister or the

Prime Minister, in whose name the bill appears, has not spoken or should speak? In other words, at this moment I do not raise the point and I do not intend to proceed further.

Mr. Fleming: I know you are not inviting discussion on the point, Mr. Speaker, but in fairness I think there should be added to your closing observations this fact. The point you have just mentioned is not the only ground that has been put forward in this debate as to why the Prime Minister should take part. It was one point, but surely there are many important questions—

Mr. Howe (Port Arthur): Mr. Speaker, this is the fifth speech by the same hon. member.

Mr. Speaker: There is, I suppose, some relationship to the point of order. However, I find it difficult to believe that what the hon. member is about to say has a direct bearing on the point of order I have raised. I would not want him to have to repeat the reasons which he advanced in his earlier speech. I am not ruling on that ground. I am not giving a ruling. I am merely asking the co-operation of hon. members not to repeat, as the rule says, arguments used by others in the same debate or to repeat one's own arguments in the same debate. The hon. member may continue.

Mr. Dinsdale: I certainly did not intend to become the centre of a procedural discussion, Mr. Speaker, and I most decidedly do not intend to comment on the point of order. I have been in the house long enough to realize that new things are developing each day in parliamentary discussion and procedure, and before one dares to inject himself into a discussion of this kind he must have considerable experience behind him. I must say, however, that I have learned something new this evening as a result of the discussion that has taken place, because from past experience in the house it has come as a surprise to me that repetition is one of the unpardonable sins. It seems to me that in the past repetition has proceeded apace in most discussions we have had.

Now, proceeding with my contribution to the debate, Mr. Speaker, this bill has been described as a very simple, innocuous bill. I fail to see certain aspects of it in that light. Perhaps if it were viewed in isolation and as a separate item one could so describe it. Certainly, as you examine the bill presented to us, it seems to be very simple and harmless. But on the other hand, if you look at this matter of perpetuating exceptional powers delegated to the minister in the Defence Production Act, I feel that we are justified in concluding this is just another symptom of a trend that has been under way for far too long, not only in this parliament but in other democratic parliaments.

From time to time in our debates in this house concerning trends in parliament the book "The Passing of Parliament" by G. W. Keeton has been mentioned. It deals more directly with the United Kingdom parliament than with this house, but I feel that if this Canadian House of Commons allows these exceptional powers to be included in this act in perpetuity it is definitely part of this fundamental erosion of the rights of members under our parliamentary system. At page 7 of this book Keeton says that parliament is tending to become merely a censor of executive acts.

The argument has been put up in defence of this measure that there is no need to circumscribe or limit these exceptional powers because the estimates of the minister will be coming before the house each year and hon. members will have an opportunity to level the necessary criticisms to keep the application of these exceptional powers within reasonable limits. Going back to Keeton's statement, that procedure is merely putting parliament in the role of a censor, not an active creative force in the legislative process. We would merely be censoring what had already taken place under these exceptional powers if they happened to be used by the minister. Certainly they are provided for in this act.

Keeton also goes on to say that there are many trends under way in our parliamentary system. He indicates that even in democratic parliaments such as our own and that of the United Kingdom, the democratic processes are on the road to Moscow; that is a phrase he uses.

He gives three points in support of that viewpoint. First of all, the road to Moscow is marked by the one-party state; and who will deny that we have come perilously close to that unhappy situation in this country? Only recently the Minister of Justice (Mr. Garson), who should have a broad knowledge of this situation, decried the unhappy circumstances in which we have an opposition divided in its own councils and therefore rendered almost powerless to take an effective part in the parliamentary deliberations of this house. The one-party state has been a part of the trend.

Then Keeton points out that the road to autocracy is open when we have an all-powerful executive which can almost usurp and arrogate to itself unlimited powers because of the relatively weakened position of the opposition. Third, he indicates that the

trend toward autocracy and the passing of parliament is marked by a path toward a planned economy, particularly a planned economy where government monopolies predominate.

I submit that we are moving in the direction of all three in this house; and the only thing that has slowed down the process is the fact that we do have an opposition which has prevented the executive from assuming absolute powers in this chamber. I say this matter is of profound importance, because if we are going to perpetuate in peacetime conditions the powers that have emerged during a wartime situation, then we are definitely assisting in this undesirable trend described as "the passing of parliament".

I listened to a discussion on "Citizens' Forum" not so long ago on this subject. "Citizens' Forum" is a program arranged by the Canadian Broadcasting Corporation to sound out public thinking on public matters. During that discussion, whether it was put forward seriously or not, someone described parliament in terms which I shall set out in a moment. "Citizens' Forum" is a responsible discussion group, and discussions reach a high level. Therefore it is rather a tragic state of affairs when we find someone defining parliament in these terms:

> Parliament is an inexpert, rigidly regimented, desperately overworked and intellectually exhausted agglomeration of lobby-fodder going through the motions of lawmaking under the scornful gaze of a public well aware that power rests outside the parliamentary system.

The person making that statement went on to describe the increasing resort to orders in council and the procedures of delegated legislation when, as Keeton describes it, there is a continuing shift in the governmental centre of gravity from the floor of the House of Commons to the offices of the great departments of state.

I say again, Mr. Speaker, that I feel all these matters are involved in the legislation we are debating this evening. I have indicated that exceptional powers are necessary in time of war, but I would just as strongly suggest that as soon as actual war is removed as a threat to the country, we should try to withdraw from those exceptional powers as rapidly as possible, if we are going to preserve our free democratic parliamentary system of government.

Power became concentrated in the cabinet during the war. I quote from a government publication which reached my desk just the other day. It is an outline for discussion leaders issued in connection with *Current Affairs*, volume 8, No. 11. The first question asked in this pamphlet for discussion leaders is as follows:

> Is a democratic system of government an effective instrument in time of crisis?

Here is the answer appearing in the pamphlet:

> Parliamentary procedures, with full discussion of all sides of the question, are not always the swiftest way of arriving at decision and action. In times of crisis almost instantaneous decision and action are sometimes necessary. Parliaments have consequently developed the device of delegating more power to cabinets during emergency periods. Thus the cabinets of both Canada and the United Kingdom had more directly exercisable power during the second world war than they have now. Parliament grants those powers, usually for a specifically limited time—

I underline the words "usually for a specifically limited time".

> —and parliament can withdraw it when it is considered no longer necessary.

I suggest that the members of the official opposition are quite justified in demanding that some limit be placed on the powers incorporated in this act, particularly when we are in peacetime conditions. It is bad enough in wartime to have absolute cabinet control, but it is tragically dangerous in time of peace.

I know the difficulty arises from the fact that there has been no change in administration since the end of world war II. The United Kingdom perhaps is a little more mature in this regard than we are, because they turn their respective parties out of office more quickly than we do here. Unfortunately we have not had that salutary state of affairs since the end of hostilities in 1945, with the result that you have a group of politicians who have become inoculated with the power complex. The only argument I have heard in attempting to refute the opposition is. "We must be right, because so many support us. We have been returned time after time to a majority position in the House of Commons."

Well, I do not have to repeat that popular statistics concerning recent election results indicate that the government holds office on a minority popular vote, mainly because the opposition is divided in its councils. I feel that it is a tragedy if in defending freedom, which is the purport of this resolution—and we are all for it; we all realize that we must have a permanent Department of Defence Production to provide our armed forces with the necessary equipment—we lose by the subtle process of inner decay the very freedom we are defending.

I have another observation on this point from a Canadian writer, George Hambleton, who has recently produced the book "The Parliament of Canada". And—

Mr. Speaker: May I interrupt the hon. member again. He is about to give us his fifth quotation. I heard several quotations yesterday. The hon. member for Queens (Mr. MacLean) gave us quite a few quotations from a certain book, "The Urge to Persecute", and from another book, "Faith and Freedom". Now the hon. member for Brandon-Souris is giving us a review of a book by Keeton, "The Passing of Parliament". He has quoted from a government publication, and now he is about to quote from another book. I understand that it substantiates some of the points he is making. According to the rules he must present his arguments in his own words, not in the words of others. The hon. member may say, "Well, yesterday you allowed quotations to be made; why should you not allow them today?" He said a moment ago, "You allowed repetition in other debates; why do you not allow it now?" I understand that I have to bear the onus of that negligence, but there comes a time when it becomes so obvious that intervention is sometimes helpful.

I am sure the hon. member is not doing this purposely and does not want to take advantage of the rule. Therefore I am again merely pointing out to him that he has given us five quotations, and my remarks might serve to indicate to him that for the remainder of his remarks there should not be another five or six quotations.

Mr. Dinsdale: I am beginning to feel a bit frustrated as I keep running into these technical hurdles. Again I am amazed at the ruling because, as I have said in the house on former occasions, I have heard lengthy quotations read and no difficulty has been encountered. I would say that some of the points I have made have been more by way of paraphrase than direct quotation, and I shall paraphrase the gentleman to whom I referred, who reminds his readers that the power of the cabinet is now such that during world war II we had a regime which was nothing less than a dictatorship by consent. I feel that the exceptional powers in this legislation are perpetuating this unhappy condition.

If I may refer to a personal experience which involves an historical character, I think I can do so without infringing on the rule that we must not quote too freely. During the last war I had the privilege of going to the continent quite soon after the liberation of France. In fact the battle was still raging furiously in the Cherbourg peninsula. Hon. members are all aware of the stakes that were involved in that conflict. We went across the channel to try to establish direct contact with mobile radar installations under whose direction our particular squadron was operating. At the tip of the Cherbourg peninsula we were housed in the chateau de Tocqueville.

I was quite thrilled at that experience because, as hon. members will recall, de Tocqueville was one of the outstanding historians of the early nineteenth century. Over a hundred years ago he had foreseen just the unhappy state of affairs that modern democracies find themselves in today as they are confronted with crisis after crisis. In his writings on democracy in the Americas he pointed to four dangers that would be faced by American democracies within the foreseeable historical future.

The first point was the possibility of responsibility in government being bartered for security. The second point was the danger of democracy degenerating into majority rule, a form of oligarchy, and that is a question that has already been referred to by the hon. member for Prince Albert, who mentioned the tyranny of the majority in reference to this discussion. The third point was that dull uniformity would tend to depress the exercise of individual will; in other words, a trend toward a mass society would tend to deaden individual responsibility, and the individual would be willing to acquiesce in anything so long as his security could be guaranteed.

The fourth point was that increasing complexity of national life would lead to the necessity for a rigid autocracy. I thought it was ironical, Mr. Speaker; the night we stayed in the chateau de Tocqueville we were housed in the library. Incidentally the chateau had been occupied by the nazi forces until just a few days previously, and it was interesting to discover that the library of that great historian had been very carefully preserved even by the nazi forces. They at least had respect for the contributions of this outstanding man toward a better understanding of our democratic processes, yet there was a strange irony of fate. Here just a hundred years later a country which at the time that de Tocqueville had written was the centre of liberty, equality and fraternity, had fallen for several years under the iron heel of a dictator, a situation which he had prophesied in his writings a hundred years earlier.

It has been interesting, Mr. Speaker, to see the enthusiastic manner in which the members of the C.C.F. party have embraced this legislation. I was very interested in the speech of the hon. member for Winnipeg North Centre, because I saw him in a new

role. He was enthusiastic; he felt that this legislation might be regarded as the wave of the future so far as his particular point of view was concerned. He made reference to the fact that if we are to meet emergencies there is necessity to have what is sometimes called democratic socialism, national socialism, state socialism, state capitalism, or whatever phrase you like to use to describe this trend toward increasing domination by the state. On the other hand, it is necessary to curb the rights and the privileges of private industry, because the captains of industry are not to be trusted with the responsibilities that are inherent in the continuing emergency conditions that face us at the moment.

If I had time I should like to give another quotation, but I do not know whether to launch into it. It is very pertinent to this point. The members of the C.C.F. party are strongly in support of the idea of democratic socialism or state domination of our productive activities. In the book "Make This Your Canada", a review of C.C.F. history and policy, there is a very interesting and significant passage on page 24.

Mr. Deputy Speaker: Order. I was in the house and heard the previous interruption of the hon. member. I do not want to anticipate what he is going to read, but from the title I judge it will be very difficult for one to relate it to the principle of this bill. If he can relate it to the principle of the bill, well and good; otherwise I would ask him to devote his remarks strictly to the principle.

Mr. Dinsdale: The only point I am making in my discussion, Mr. Speaker, is that the inclusion of these exceptional powers is a trend toward state domination, and that is why we are opposing this aspect of the legislation. My quotation is right on that point, if I may be allowed to proceed.

> Our own experience in the field of war production has been confirmed and emphasized by the accomplishments of the Soviet union. The whole democratic world has been filled with admiration of the victorious struggles of the red army. And that admiration is deeply deserved. Yet our appreciation is incomplete if we do not understand some of the reasons for the magnificent results achieved by the Soviet peoples in their opposition to Hitler's invasion.

Mr. Deputy Speaker: Having heard part of the quotation, I think most hon. members will agree that we are departing from the principle of the bill.

Mr. Dinsdale: Does this bill not deal with the emergency situation of war or the threat of war?

Mr. Howe (Port Arthur): Just defence production.

Mr. Dinsdale: I was under the impression that the Department of Defence Production was being established on a permanent basis in order to take care of any possible threat of war. Just to paraphrase the remainder of this quotation, it goes on to point out that the soviets were able to handle the emergent situation they faced when attacked by nazi Germany because they had a planned economy and a complete authoritarian system of organizing their productive capacity, with the result that they were able to meet the onslaught of the enemy.

It is understandable that members of the C.C.F. group would be strongly in support of a measure of this kind because it indicates the trend toward state socialism, state national socialism, or however you describe it; this increasing trend toward domination by the state. But I am surprised when I find members of the nominal Liberal party succumbing to what has been described as the dominant dogma of our age, that chaos, confusion and crisis can be stopped only by an increasing resort to coercion and force on the part of the executive arm of government. That is the reason the members of the official opposition are opposing this particular aspect of the legislation.

In his contribution to the debate the hon. member for Cape Breton South referred to incentive as an encouragement for wartime production, and implied that the incentive that was most undesirable in connection with wartime production was the incentive of profit or blood money. There are other kinds of incentives. Under the old Gladstonian school of Liberalism unlimited gain or the profit motive was the incentive. On the other hand, there is the socialist incentive or the incentive of statism, the incentive of those who subscribe to the belief that unlimited power for the state is necessary in order to build up an efficient production system to meet any possible threat. The incentive of that particular school is the incentive of unlimited power, and in the extreme where you have absolute dictatorship taking over it implies concentration camps and other types of power of that sort.

In traditional fashion the Conservatives try to find a happy medium between these two extremes, and that is the position we are taking on this matter. It would be a most unhappy and unfortunate state of affairs if we were to allow ourselves to be led, perhaps unconsciously on the part of the government, to subscribe to the dominant dogma of the age that the state must have absolute powers if we are going to prepare the country to meet a continuing emergency.

In concluding I would say that this particular viewpoint professes to have a strange faith in the capacity and ability of politicians. The captains of industry, responsible citizens of this country, are bloodthirsty men who it would seem have no interest in the welfare of the country or of our free political institutions. They cannot be trusted in a time of emergency to come to the aid of those values which underline our way of life.

On the other hand this mystical belief or faith in the ability and integrity of the politician implies that the captain of politics would be all-wise, all-benevolent, all-righteous and could be completely trusted in handling the affairs of production. That is far from the true situation as is to be found in the pages of history. The individuals we should be most suspicious of are the politicians, and that is the reason we have opposition to governments; that is the reason why we have the diffusion and division of power, to prevent a government becoming too powerful and being placed in a position where it can abuse its power.

After all the captain of politics, just as the captain of industry, is subject to all the human frailties that have dogged the footsteps of man down through the pages of history. Perhaps I can express this viewpoint best by quoting a little piece of poetry I heard some time ago which described a politician. It went something like this:

He would not kiss the babies as he went along the way,
He believed that public business should no more than others pay,
He insisted on insisting on economy in fact,
Which for any politician is a curious way to act.
He said I made a promise to the people in this town
If they voted me in office I would keep the taxes down.
So I mean to keep that promise, and he fired a dozen clerks
Saying one is all that's needed if he's honest and he works.
He refused to pose for pictures just to further spread his fame,
On every public project he refused to splash his name.
He was early at the office and on the job he stayed,
He respected all the citizens but no favourites he played.
He tried running public business in a private tradesman's way,
But the things they said about him filled his family with dismay.
He was honest, he was earnest, he was truthful and sincere,
But he was no politician so he didn't last a year.

Mr. Howe (Port Arthur): Mr. Speaker, is this doggerel pertinent to the Defence Production Act?

[Mr. Dinsdale.]

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but I must advise him that his time has expired.

Mr. Dinsdale: I lost 15 minutes in the discussion.

Mr. Deputy Speaker: That would appear to cast some reflection on the timing. My experience has been that the officials at the table are most accurate in that respect. I may advise the hon. member that allowance was made for the interruptions on the point of order.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I think it unlikely I will run over the time, though there are only 20 minutes left. I propose to speak without tedious repetition if that can be avoided, and I hope to present one or two new phases in this debate.

We are dealing with Bill No. 256—I appreciate that this has been said before—to amend the Defence Production Act. It has been said that this is a simple bill containing only two sections. The explanatory notes point out that with regard to the first section the only change is the substitution of the word "fifteen" for the word "ten". The second clause reads:

Section 41 of the said act is repealed.

What could be simpler than to increase the salary of the minister and keep the act in force after July 31 of next year? All that is required is for the house to pass this simple little bill in a few minutes and then proceed to other business. Well, there is more to it than that. A real problem has been presented in this relatively simple enactment, and that is continuing all the Defence Production Act operation except section 41. Further than that, the core of the matter is that the intention here is to make the act permanent.

As I followed the minister's argument in the early stages of the debate, he stressed the point that there was a continuing emergency, and various hon. members have dwelt upon that during the course of the debate. The meaning the Oxford dictionary gives to "emergency" is as follows: "Sudden juncture demanding immediate action". I think it is important to keep that definition in mind. We are tending to use the word "emergency" with a much wider meaning than that. There is nothing at the present time that indicates a sudden juncture demanding immediate action. As I say, the minister, in the course of his early argument, based it on what he called a continuing emergency, and he stressed the fact that a permanent department was essential in order to retain experienced employees.

There has been a measure of agreement in the house with regard to some of the matters that have been mentioned in the course of the debate. There has been general agreement that the department should be made permanent. There has been some general agreement that the world situation is uncertain. There has not been agreement that there is at the present time an emergency. The world situation has been described by the minister as being worse now than it was in 1951. We cannot recall that other ministers have indicated that in recent times. The Prime Minister, who I judge is going to participate in the debate at the appropriate moment, when speaking to the federal-provincial conference on April 26 dealt with the subject of world affairs and painted the picture as he saw it.

I shall not quote at length from his statement, but I think it is important to get his viewpoint because it has its bearing on this subject of defence production. The Prime Minister on that occasion—and I am quoting from page 6 of the *Hansard* of that federal-provincial conference meeting—said this:

> In 1950 we met in the shadow of the Korean crisis and the ministers most directly concerned spoke to us of the urgent tasks confronting us in the defence field. Since then the situation has changed. On the surface it seems to have changed for the better. The fighting has stopped. Fundamentally, however, the situation has not improved, but we have grown more used to it. The world remains divided and suspicious; it appears likely to be that way for many years.

He goes on further to speak about the gravity of the risk that threatens Canada should a major war break out, and he says this. I quote again from page 6:

> If a major war commences we must expect at its very beginning—that is, in the first few hours—heavy attacks on North America with large nuclear weapons. These attacks would likely take place on Canadian targets as well as on those in the United States.

That is a somewhat alarming view of world affairs, which should be presented to us here in the house if that is the situation, but I see no hint there of an emergency as defined by the Oxford dictionary. As I say, there has been some measure of agreement. What are the differences here in the House of Commons? We have been saying on this side that the powers are excessive except for an emergency, and we have said that the powers should not be permanent. It is interesting to see what has happened so far.

Attempts to reach a compromise on this matter were made during the course of the debate at the resolution stage in March. At that time the hon. member for Winnipeg North Centre, as indicated on page 1996 of *Hansard*, said:

> I hope that between now and then—

That is, when the bill would get second reading.

> —the government might consider whether some changes in the act itself might be made. I suggest, as one change, that instead of wiping out the expiry date altogether another expiry date might be written into the act. The department as set up originally in 1951 was to expire July 31, 1956, and perhaps the government would consider putting in an expiry date of, let us say, July 31, 1958 or 1959.

Then, as other people participated in the debate, there was agreement to that suggestion on the part of the hon. member for Peace River. Then the minister himself intervened to say, as shown on page 2001 of *Hansard* of March 14, 1955:

> If it were not for the human element in the department I would be quite willing to set another date and debate the matter again.

As reported on the same page, the hon. member for Vancouver-Quadra made a suggestion in these words:

> Why would it not be possible to word the bill in such a way that the department is made permanent but these powers are made temporary, and subject to review within a certain length of time?

With that suggestion the hon. member for Peace River agreed. As reported on page 2002 the Minister of Defence Production said this:

> If the house wishes to adopt this resolution before the bill is brought in, the government will consider the request of my hon. friend.

He is referring to the hon. member for Vancouver-Quadra.

> I do not know whether or not the government will accept the hon. member's suggestion, but at least it will be given consideration.

Then the hon. member for Winnipeg North Centre indicated—

An hon. Member: No tedious repetition.

Mr. Churchill: If there is tedious repetition here, Mr. Speaker, it is because the hon. member for Winnipeg North Centre has been repeating himself.

Mr. Knowles: You fellows have been repeating what I said.

Mr. Churchill: He said:

> I hope in the consideration which the Minister of Trade and Commerce has promised to give he will consider the possibility of wording that section in the opposite way, letting it stand that the department goes on but including a provision in section 41 which would say that sections so and so of this act—and these could be the sections dealing with the wide powers—will expire on such and such a date. This action would give the

officials and employees of the department a sense of permanency as far as their employment is concerned, but would also bring before parliament at an appropriate date and on a mandatory basis a review of the whole question of the powers contained in the act.

The general spirit of the house was different from what it is on this occasion. The Prime Minister, who intervened at that time in the debate, said this as reported at page 2002 of *Hansard*:

The Minister of Trade and Commerce has already stated that the government would give consideration to the views which have been expressed here in that regard.

That is in regard to these compromise solutions. Then as reported at page 2003 the hon. member for Vancouver-Quadra summed it up. This will indicate how close we were to agreement on that occasion. He summed it up as follows:

I suggest that the matter be allowed to stand as it is at the present time, on the understanding that the resolution goes through and that the government will give serious consideration to this suggestion.

That gets us past the resolution stage, Mr. Speaker. We have reached the month of June, three months later. A change has taken place. What is the reason for that change? I do not propose to repeat some of the things that have already been quoted from the statements made in 1951 and again this year with regard to the extraordinary powers not being necessary. This morning when the hon. member for Prince Albert was speaking he drew attention to the fact that when special emergency powers were required in 1945, one year was considered to be essential; that in 1951, when the act was first brought in, five years was considered to be essential before review; and that now, in 1955, we have reached the stage of no limit. That represents a considerable change of thinking in a ten-year period.

My good friend the hon. member for Winnipeg North Centre—and I am not sure that I should draw attention to him again—changed his position during the course of three months, strangely enough, as did the minister. When the hon. member for Winnipeg North Centre was criticizing my friend the hon. member for Eglinton, and incidentally, accusing him of being somewhat loquacious and long-winded—a criticism which I thought was odd coming as it did from my good friend the hon. member for Winnipeg North Centre—

Mr. Fleming: Physician, heal thyself.

Mr. Knowles: I merely objected to his talking for so long without telling us where he stood.

[Mr. Churchill.]

Mr. Fleming: It was apparent to everybody but the hon. member.

Mr. Churchill: The hon. member for Winnipeg North Centre, for whom I have the greatest respect, has told us where he stood because he has changed his position in the period from March to June. Speaking of the hon. member for Eglinton, as reported at page 4536 of *Hansard* he said:

He wants a time limitation in the bill.

So did the hon. member for Winnipeg North Centre a few months ago.

He did not state how many years or what length of time. I suggest it is parliament's job not just to say we will turn these powers over and we will review them in two, three, five or ten years. No, it is parliament's job to maintain a constant scrutiny of a department of this kind.

Mr. Knowles: Do you not agree?

Mr. Churchill: I quite agree. I also agree that there should be a limitation, as I intend to point out.

The minister, having somewhat altered his position in the course of three months, I regret to say, repeated the arguments he made in March. He drew our attention to the fact that one of the reasons for the necessity of making the department permanent was in order to hold the members of his department. Then he suggested that at the time the estimates were under consideration we could review the work of his department and suggest changes. That matter has been effectively dealt with by others, so I need not dwell upon it. In reply to the suggestion made by the hon. member for Vancouver-Quadra that the powers might be limited, he quoted his legal advisers to the effect that it was rather difficult to express that suggestion in an act so it would be satisfactory. Let me point out—and I think I just have time in which to do so—that on March 10, thinking of how this act might be terminated when the time came for it, the Prime Minister as reported at page 1905 of *Hansard* said this:

. . . leaving it to parliament to decide if and when it will be proper to bring it to a termination.

You will recall, Mr. Speaker, that on Wednesday, as reported at page 4542 of *Hansard*, the Minister of Defence Production said this:

I do not propose to be told now by any hon. member just when I will liquidate it.

Hence, Mr. Speaker, you see that the Prime Minister and the Minister of Defence Production are not in agreement. The Prime Minister suggests that parliament will decide when this act shall be terminated some time in the future, and the Minister of Defence Production says that he will not permit any hon. member to suggest—

Mr. Howe (Port Arthur): To tell him now.

Mr. Fleming: Oh, no. That "now" crept in afterward.

Mr. Churchill: Mr. Speaker, I have some other interesting comments to make on the attitude displayed by the Minister of Defence Production and the remarks he has made on this bill. May I now move the adjournment of the debate.

On motion of Mr. Churchill the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: In my absence tomorrow, Mr. Speaker, I hope the house will pass the unemployment insurance bill first; will take the estimates of the Department of Agriculture and pass at least the first item and as many more as may be possible; and then will take the estimates of the Department of Labour.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

END OF VOLUME IV