

Inquiries of the Ministry

minister tell the house something of the various fiscal and monetary measures which the Minister of Labour told us were the means proposed to take care of unemployment?

Hon. Douglas Abbott (Minister of Finance): I listened to the hon. member's question yesterday, and I was not quite sure whether or not he expected me to elaborate upon it. However, I am very happy to do so.

The government does not believe that present conditions warrant the adoption of drastic or large-scale anti-deflationary measures. Economic activity in some lines is at present below the levels of a year ago, but industrial and economic activity as a whole in Canada is still at a very high level.

Strong inflationary pressures which were of so much concern to the government and to all hon. members a couple of years ago have subsided and, as they subsided, the government has withdrawn the various anti-inflationary measures which were adopted in 1950 and 1951. For example, the government has withdrawn the various restrictions on the expansion of credit, both through the banks and in the field of consumer credit.

The policy of the Bank of Canada has been to keep the banks in a strong cash position, and one of the consequences of this policy has been some decline in both short and long term interest rates. The federal government's budget surplus has been virtually eliminated, and in planning our expenditures for the coming year we have followed a less restrictive policy in public works. The housing act which is presently under consideration will make possible a larger flow of funds into housing construction.

These are some of the measures which the government has taken to adapt government policy to current conditions. If economic activity declines, the government is in a position to take stronger action in these and other directions, but I should like to emphasize that as I and my colleagues view the present situation there is no justification for stronger action and I have a high degree of confidence that when our winter season of normally reduced activity is past, economic activity in Canada is likely to resume its upward trend at a satisfactory rate.

Mr. Macdonnell: May I ask a supplementary question. Shall I assume that the report in the morning paper, the *Gazette*, is correct in saying the minister regards the winter unemployment picture as not alarming but only unpleasant?

Mr. McIlraith: Blakely is seldom correct. [Mr. Macdonnell.]

Mr. Abbott: Yes, that report is quite accurate. That is a Canadian Press report.

Mr. Knowles: Does the minister's opinion as to the accuracy of the article depend on who writes it?

COAL**SUBVENTIONS—REQUEST FOR STATEMENT ON WORK OF COMMITTEE**

On the orders of the day:

Mr. E. G. Hansell (Macleod): May I direct a question to the Minister of Mines and Technical Surveys, based on a report in the papers some weeks ago that a committee had been set up to study the adjustment of subventions for the movement of coal? My question is, would the minister be prepared to make a statement as to what progress is being made by the committee, and when we might expect an interim report?

Hon. George Prudham (Minister of Mines and Technical Surveys): The hon. member was good enough to give me notice of his intention to ask this question. The whole matter of freight subventions is receiving very careful study at the present time. I have no interim report to make, but I do expect to make a full statement when the estimates of the dominion coal board are before the house.

WATER POLLUTION**FISHERIES ACT—SUGGESTED AMENDMENT REDEFINING POLLUTION**

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Minister of National Health and Welfare. He of course will know what I have in mind. This is the 86th day for Prince Albert in its present position. Will the government consider at once introducing in the house an amendment to the Fisheries Act, if necessary, to redefine the word "pollution" so as to make it possible to punish those who today are dumping into the river chemical products which do not come within the meaning of "pollution" because they are not toxic, and also to have the penalties in the Fisheries Act increased so that industrial concerns may not pollute our streams? If the house will allow me to say so, the situation is terribly serious—

Some hon. Members: No.

Mr. Diefenbaker: My hon. friends say "no".

Mr. Speaker: The hon. member knows that he cannot add to his question.